PUBLISHED IN LONDON AND FRANKFURT

Friday January 11 1980



LAING make ideas take shape

CONTINENTAL SELLING PRICES: AUSTRIA Seb 15: BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4: GERMANY DM 2.D; ITALY L 700: NETHERLANDS FI 2.D; NORWAY Kr 4.25; PORTUGAL Esc 25; SPAIN Pts 70; SWEDEN Kr 3.75; SWITZERLAND Fr 2.D; EIRE 20p; MALTA 20c

GENERAL

level as at the 1979. The their repinned by hear an energy stocks be declined by your \$25.5 pt. on against the other year as and lay real setting of the ardly surprise ardly surprise the decline of the setting of the ardly surprise the decline of the setting of

the last for the common hard for the common to the common to the common the c

that the ware nakes are was nakes are was ever lapted on energy and a major between any case in major about a more than was more than was not as the more than was not as the more than was not as the more than was nakes as the more than the more than

more than 🐞

orny is poised by cent in the name while inflames

nile the made ;

an export of

Japanese insa

neing ner gle

tit vear and the

mer ima in p

u. Ven 15 now >-

tive the intends.

machiliagin: B

fe tige fill feiter.

wie there a

or and a steel

in Alabana

over looking term

er Constrag

The Thirty ret

entired dwe a

20.00

LV.

а в 🤅

Bullette are less

Table of the second

The grands

Contain Tolain

AND INTEREST

" JE LA DESE

- At the Digital 海岸

and the second

The sense

Ess.

partiern engantidizi

The state of the state of

127 600

Delications

# Tough Afghan line by Britain

The Cabinet strongly reaffirmed its support for U.S. measures against the Soviet Union over the invasion of Afghanistan,

writes Philip Rawstnrne. Ministers agreed that Russia should be effectivelly dis-couraged from making any similar moves on the future.

#### Carrington tour

After the return of Foreign Secretary Lord Carrington from EQUITIES followed gilts and a tour of the nations bordering the FT 30 share index rose 7.3 Afghanistan, the Government is 430.8. expected to seek co-ordinated measures by the EEC and NATO against the Soviet Union. At the end of a visit to Turkey, he said that country's analysis of the LEAD fell £10.50 to £434.50 Afghanistan \_ situation was £100 lower than a week ago and "identical" to Britain's (page 3).

In the U.S. businessmen are assuming that President Carter. in appounding a review of export licences to the Soviet Union, has. in effect put on ice all U.S.-Soviet trade in manufactured goods (page 4). Argentina said it would not support the U.S. grain embargo against Russia

#### Docks' blacking

U.S. dockers will complete the loading and unloading of the six Soviet ships in American ports but plan to black the 34 ships due in the next 30 days (page 4). As the Soviet airlift of supplies into Afghanistan continated, pockets of resistance were reported in the eastern its lowest level since December city of Jalabad and in the 1978.

Cakhar and Badkhashan WESTERN BANKS have provinces (page 5).

#### Fourth channel faces delays

Cabinet doubts over the form and cost of the proposed fourth television channel may lead to capital markets this year. Page 2 a prolonged shelving of the INTERNATIONAL financial

The Prime Minister's concern over the issue is likely to be encouraged by Cabinet colleagues who favour a completely new, advertising-financed channel competing • BRITISH companies will with ITV and the BBC. They eventually change their current believe this would draw in new present ITV resources. Back Page

#### Gandhi pledge

Mrs. Indira Gandhi, accepting cised industry for not making an invitation to form a new government, said she had no thought of reprisals or ven-dettas in boilding a "selfreliant India." Her country's elections ended with her Congress (I) Party bolding 351 of the offective 527 Lower House output rose. Page 6

#### Bomb victim's £}m Lord Mountbatten's grandson Nicholas Knatchhull - killed with him in a terrorist homh

hlast aboard their boat last year -left £774,986 net.

#### Rhodesia flight

British Airways flew into Rhodesia for the first time in almost 14 years. The Boeing 747 flight into Sallsbury was the first of what will be regular weekly services from London.

#### Briefly ...

Thirteen people died and 26 ware injured when a train hit a bus at a rail crossing near Ayon, stern Turkey.

Dister is to introduce a £4a-year dog licence and dog

School cook Jean Hird landed in hospital after making a tele • ENGLISH CHINA CLAYS one call in Sheffield. Someone had smeared the felephone earpiece with super glue.

RISES

Treas: Spc 1982 \_\_£851 + 1

Treas. 14pc 98-01... 197 + 14

BAT Inds. ...... 253 + 10

BTR 291 + 10

Ellis and Everard... 112 + 5

Ferranti 452 + 27 Flight Refuelling 197 + 12

Grand Metropolitan 137 + 6

GKN 249 + 6
Jones (Ernest) 180 ± 10
Land Sces. 254 + 6
McCorquodale 111 + 8
Majedie

Marks and Spencer 88 + 3 Metal Box ...... 242 + 6

Nova (Jersey) ..... 38 + 4

...... 168 + 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

#### BUSINESS

# Support aids \$; gold falls $\$9\frac{1}{2}$

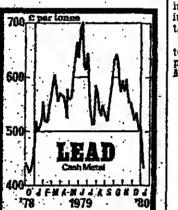
• DOLLAR firmed to DM 1.7165 (DM 1.7115) and SwFr 1.2790 (SwFr 1.5730] and its index rose in 84.3 (84.2) after inter-vention by central banks.

• STERLING fell to \$2.2595

(\$2,2665) after a late rally. Its index fell to 70.9 (71.1). • GOLD fell \$9.50 to \$600.50

• GILTS rose sharply and the FT Government Securities Index gained 0.49 to 65.83,

• WALL STREET was up 5.88 at 855.97; shortly before the



. WESTERN BANKS have severely curtailed a loan for East Germany : worth. \$150m (£66m) following the inter-national crisis. Back Page. Poland bopes to raise another \$5bn (£2.2hp) in International

system faces a bigger challenge in the 1980s in recycling the OPEC. surpluses, Karl · Otto Poehl, the Bundesbank president has warned. Page 2

eventually change their current accounting format to a multi-column reporting system in line with U.S. practice, an FT conference has been told. Page 8

 NATIONAL ECONOMIC Development Office has critisufficient use of advanced technology to improve efficiency.

• UK CAR output fell 156,000 tn 1.06m in 1979 against 1.92m in 1972, but commercial vehicle

· HARLAND AND WOLFF launched only four ships total-ling just 117.520 gress tons in -its lowest tonnage for a decade. Page 7

#### LABOUR

 BL CARS ahop stewards have urged a drive to support their 30 per cent wage claim, but there may be little backing for a strike. Back Page ...

. BRITISH AIRWAYS flights were hit when maintenance engineers refused to turn up for work at Heathrow Airport in support of a pay claim. Page 8

#### COMPANIES

Loraine

• SCOTCH WHISKY group Highland Distilleries has issued letter to abarebolders urging them to reject the £80m bid from Hiram Walker-Gooderham and Worts, of Canada. Page 19 and Lex Back Page

pre-tax profits in the year to September 30. 1979, rose to £33.12m (£24.48m). Page 18

De Beers Dfd. ..... 425 - 21 Roan Cons. Mines ... 210 - 30

# **BNOC** share sale expected to raise at least £500m

BY RAY DAFTER, ENERGY EDITOR

The Government is expected to raise between £500m and £650m from the sale of shares in the British National Oil Corporation. Details of the State corporation's reorganisation are likely to be announced in the next few weeks. BNOC is at the centre of of a minority interest in the interest in the exploration and

heated negotiations with some corporation, between 25 and 33 productino undertaking are North Sea producers over pricing of UK crude oil.

With BNOC valued at well reorganisation plan.

igreed to settle at a price of about \$30 a harrel, a number £650m for the Exchequer. are insisting an higher levels. This could trigger off a wave of increases amnng producers of high-quality crude nit. Developments about RNOC

which emerged yesterday are: REORGANISATION: Cabinet is expected to sanrting splitting of the corporation into two operations.

The nil trading arm, which is

negotialing oil prices for well over half the UK output, will be kept in State hands, The exploration and productinn side is likely to be turned into a BP-type operation, involving both State and private capl-

o agree on the form of public role in the world nil market. participation, it seems that - Splitting of BNOC and the Ministers will approve the sale public offer of a minority

ing of UK crude oil.

With BNOC valued at well above £2hn, such a share sale would raise at least £a00m to Mr. David Howell, the Energy Secretary, is known to favour directing a substantial propor-tion of these shares toward

With his advisers, Mr. Howell has investigated the possibility of providing all adults in the country with a free issue of interest-bearing BNOC stock.

However, the Treasury is anxious to use any transfer to the private sector of BNOC as a means of reducing the Public Sector Borrowing Requirement. The Foreign Office has also been keen to ensure that the Government does not lose its control of BNOC at a time when the Although the Cahinet has still corporation is playing a strategic

The two parts of BNOC are expected to be linked, possibly with a joint chairman.

The Government can expect considerable opposition to the plan, both from Labour MPs and the trade unions. The TUC Economic Committee said this week that if BNOC slipped out of public control the Government would be guilty of "hetrayal of our national interest in both financial and

strategic terms. Pointing out that the corpora tion was expected to make a profit of £300m tn £400m annually hy next year, the committee said that a move toward private ownership would effectively mean transferring some profits which now went to the Covernment into the private

Continued nn Back Page Energy Review, Page 17

# **Boost for funding as** long tap is exhausted

BY DAVID MARSH

THE GOVERNMENT'S fund to the Budget forecast of trading to £971. Other govern-raising programme received a £9.60n, even though a Egurs of ment bonds were also more boost vesterday as the around £9hn rather than the than one point higher on the Treasury's long tap stock was targeted £8.3bn is now geoer-exhausted and its new short-ally expected for overall public. Offers closed yesterday for

in spite of publication of sion as Treasury figures showing that buying central government horrowing in the first nine months of the present financial year was 28 per s2.2595 yesterday from over-cent up on 1978.

additional contain specia) extra revenue-in the form of trade-weighted index fell to 70.9 already announced payments of petroleum revenue tax and

give the Government a cash off to a slow start when first surplus in the first quarter. As a result, central government borrowing for the whole heen bnught yesterday. of the financial year ending in

The market was reassured by erally steadier dullar. But it is Treasury stalement that the still at around its highest for first quarter this year would five months against the U.S. currency in spite of the steel receipts of around £1.5hn. The strike. Yesterday the pound's

Sterling fell slightly

The long dated stock to run receipts from sales of public out was 14 per cent Treasury sector assets— is expected to 1998-2001. The £1bn issue got nffered at the end of November, hut about £400m seems to have

The stack sald out at a price March will probably be close of £964, but rose in after hours

dated tap received a better sector borrowing in 1979/80, the shorldated stock announced than expected response.

Strong demand for government hands emerged yesterday
ment hands emerged yesterday

down in money supply expansion allored in full at the minimum sion as well as by some foreign allined io full al the minimum buying.

allined io full al the minimum price of £96.50 per cent.

about £100m-£150m of nominal fibn Issue had been sold—rather expected. Following the after hours jump in gill-edged prices last night, the stock may meet significant demand when it starts trading this morning.

.The Treasury's borrowing figures showed that central government horrowing from April to December increased to £10.1m frnm £7.8hn in the same period of 1978. Borrowing in December rose 12 per cent to £1.5hn compared with December, 1978.

Lex Back Page

# on public service pay rises

By Philip Bassett, Labour Staff

GOVERNMENT has decided to provide for pay iocreases of 14 per cent in its cash limits covering public service workers, including 600,000 white-collar civil servants and 250,000 health service aocillary staff.

The health service staff, who are due to receive a reply to their pay claim next week, seem likely to settle for an offer within this provision, in line with the expected acreptance next week of a 13 per cent offer by a roughly comparable group, the 1.1m local authority manual

The Covernment's decision, though, may provoke another hout of industrial action over pay by Civil Service unions, especially since their expecta-tions of rises of 17-18 per cent this year in line with inflation have been confirmed by the first findings of an independent pay comparability study.

The Cahinet decision is spelt out in a confidential Treasury letter. Its sensitivity is underlined by a statement in the letter that the decisinn "should not be communicated outside departments without the specific agreement of the Treasury."

#### New awards

The letter is from Mr. Stephen Robson, assistant secretary in the cash limits division of the Treasury's general expenditure policy group for the public servires sector. It says the 14 per cent would cover new pay awards and price increases.

The letter gives details of the method of calculating the element for price increases on On pay, it says provision will be made for the staged payment past awards, as in the industrial civil service, and for outstanding awards from the Clegg comparability commission for groups such as the health, service ancilliaries.

It goes on: "The element for increase in earnings from due settlement dates."

The provision is broadly in line with the figure of 13} per cent provided in the Rate Support Grant last November to cover local authorities' pay increases. Il will add further fuel to union suspicions that the Government is in effect using the cash limits system to regulate public sector pay

# 14% limit Private sector steel strike move by union

BY ALAN PIKE AND CHRISTIAN TYLER

private steel manufacturing are Advisory, the national steel strike.

A decision to call out members of the Iron and Steet Trades Coofederation in the private sector, which is responsible for about a fifth of national steel output, would greatly intensify the impact of the dispute. Members working for the private companies have no argument with the British Steel been demands in some areas for them to be involved as an act of solidarity in the union's first nationa Istrike for more than 50

years. The ISTC said yesterday that its private sector negotiating team was being called to Tuesday's special meeting to discuss the implications of the dispute "and what they can do to speed

the success of the strike." Recommendations from Tuesday's meeting will go to a joint meeting of the ISTC and National Union of Blastfurnacemen's executive the next day.

Members of the TUC's nationalised industries committee yesterday discussed the other major dispute threatening in the public sector—the proposed Welsh general strike on January 21.

They asked the Wales TUC to call off its plaoned action over steelworks and pit clusures. But at the same time they took matters into their own hands by giving a veiled warning that national stoppages would be considered by the TUC General Council unless BSC withdrew proposals to dismlss 50,000 steelworkers by Aumst

At least 100,000 jobs are at mates.

TUC leaders believe that BSC's announcement of closures bas put it in breach of its statu-

Mr. David Lea, TUC assistant general secretary, said that stoppages of work were included in the brief which will go to the Ceneral Council. Mr. Frank Chapple, chairman of the nationalised industries committee, would not spell out the threat directly. In the pational steel dispute.

Sir Charles Villiers, chairman of BSC, and other senior manage-

LEADERS OF workers in ment representatives went to the Conciliation and being called to a delegate con- Arbitration Service for exploraference in London on Tuesday to tory talks yesterday. Union decide whether they should join representatives are being called in on Monday. However, followmg the failure of the peace bid Murray, TUC geoeral secretary, there is no reason to presume the ACAS move signals a new breakthrough.

After yesterday's meeting Sir Charles said that the ACAS involvement was in its "early days" and Mr. Bill Sirs. ISTC geoeral secretary, declared himself pessimistic about the outcome of the talks.

Commoos husiness is heing changed to allow time for a full debate on steel on Thursday. Sir Keith Joseph. Industry Secretary, is to make a statement on Monday.

Mr. James Prior, Employment Secretary, met TUC leaders for further discussions on the Government's Employment Bill while be welcomed trade union efforts to control secondary picketing in the steel strike, they were not always successful. Union leaders repeated warnings that if the Bill became law the TUC's voluntary codes on picketing would be withdrawn.

Questioned afterwards nn whether the Bill would, if it were law now, change the con-duct of the steel strike, Mr. Prior said it would be wrong to look at his proposals on the basis of one dispute. He boped they would eventually lead to changes in attitudes and hehaviour.

However, Mr. Harry Urwin, chairman of the TUC's Employment policy and organisation committee, said he did not think the Bill's proposals would have any effect on a dispute like the steel strike. I suppose it would mean people baving to defy the

Day long meetigns at the tory obligations to coosult TUC headquarters included a unions under the Steel Industry visit from senior managers of the National Coal Board and An injunction may be lodged BSC to discuss the related other pay awards will be calcuagainst the corporation after question of coal imports—one
lated as a 14 per cent annual refuses to withdraw its plans, militancy of the South Wales

Strike Effects, Page 6

£ in Nev	York	
_	Jan. 9	Previous
Spot	\$2,2645-2680	82,2660-2555 0 45-0 40-40-

# UK seeks damages over lamb

BRITAIN . IS damages totalling nearly £20m Court.'
to cover costs incurred because Last of the illegal French restric-

Mr. Peter Walker, Minister of Agriculture, said yesterday, that depressed prices in Britain caused by the closure of the French market last August had resulted in payments totalling £8.7m under the fat sheep guarantee scheme, which ensures fermers a minimum return from sheep sales. . In addition, British exporters had paid illegal French levies estimated to amount to £11m between January, 1978, and July,

In a letter yesterday to Mr. culture Commissioner, Mr. Commission, in accordance with action of this nature. its responsibilities under the EEC Treaty, to secure the seek further clarification of the recovery of these costs for the situation during talks which he

demanding UK through the European will have inday at the French

Last September the court tions on lamb imports from the Rome, the French were not unit. But the ban stayed in force want a guarantee that their until this week, when it was farmers will be compensated replaced by a prohibitive 43p a for the lower prices they will pound levy. Mr. Gundelach, who was in

London yesterday for talks with Mr. Walker, said the Commission was extremely concerned "clear and unequivocal" court order had still not been executed. He said the Commission had

nn alternative but to proceed further at the European Court in see that the law was obeyed. He thought Britain's damages Finn Cundelach, the EEC Agri- claim was within the competence of the court but said Walker said: "I lonk to the there was no precedent for an Mr. Gundelach said he would

Farm Ministry in Paria. So far the French have shown ruled that, under the Treaty of no sign of abidiog by the ruling, though they bave accepted it. Before they allow levy-free special levies on British lamb, access for British lamb they

> Mr. Gundelach has said this money would have to come from Community funds. Mr. Walker would prefer domestically financed compen-

The wrangle over these "interim measuers" could be protracted as it affects many farm sectors, including the Italian sheep milk cheese producers. Meanwhile France can be expected to sit hack secure in the knowledge that its lamh producers are well protected from the harsb realities of the open market.

> Barre foresees more loosely united EEC, Page 3

#### CONTENTS



France: Changing the way it thinks about business ..... Energy review: Britain follows the OPEC lead ...... 17 Iranian gas: Increasing the price to Russia Turkey: Full backing for NATO ... 3 Management: U.S. electric power research institute

Around Britain: Bath-Royal photographers look to the West ........... 14 Lombard: Where subsidies are necessary, by Anatole Kaletsky ...... 14 Editorial comment: The impact of micro-chips; Salloi system reform ... 16 Soviet grain: The cost of inefficiency 25 Survey: Mexico ...... inset

FT Actuaries Food Prices Oversees News ... Labour Unit Trusts Weather World Trade New - UK 18:19 ANNUAL STATEMENT

For latest Share Index phone 01-246 8025

# Hillier Parker's eye on the world

This interesting little property stands on a craft workshops and leisure complex in North Dakota with good communications and excellent tourist access. Based on a traditional design, it is cheap and quick to build - although it takes a little while these days to obtain a licence, shoot the necessary bears and buffaloes, akin them, stretch and dry the pelts and paint them. The accommodation can be easily relocated mainly by rolling it up and stacking it on the backs of available squaws. Alternative forms of external cladding include birch bark and incidental prestige decoration may consist of the architect's scalp.

Relocation is not quite so easy - but Hillier Parker know their way around. For offices, shops, factories and warehouses - buying, selling, looking, finding - Hillier Parker, without reservation.



77 Grosvenor Street, London W1A 2BT Telephone: 01-629 7666 and City of London - Edinburgh - Paris - Amsterdam - Sydney - Melbourne - Brisbane Giles Merritt looks at an industry's struggle to regain competitive shape

# France cuts its suit to match its cloth

the phrase used increasingly in France to describe the damage suffered in recent years by the country's textile and clothing

Verdun is an emotive but apt term. It neatly sums up the industries' unacceptable losses sustained in the defence of a position from which there can be no retreat. The enemy, as elsewhere, bas been foreign imports of low-priced goods into the French market-with the added worry that the bulk of these have come from inside

The once powerful French textile industry has been bled down from around half a mildown from around half a million jobs in the early 1970s to just 350,000 now. This year France's textiles and clothing producers face the possibility that for the first time over half their domestic market will be in the hands of non-Freoch

coonter-offensive. The aim is to weld the more efficient of the 3,000 companies in textiles and clothing into a logical and complementary industrial framework. By the mid-1980s the French hope to have re-shaped

motor industry.

The fact that as much as three-quarters of France's FFr17bn textile imports bill comes from inside the European Community is the key to the new French strategy. Competing on an equal footing with Italy, West Germany and the UK is being identified as the top priority.

Companies grouped in the Paris-based Union des Industries Textiles are therefore cooperating in a three-point streamlining programme. Its targets are to cut costs by greatly accelerating the switch to automation, to launch new products capable of out-performing most imports and to integrate France's fragmented sub-industries into efficient vertical sectors

Rivairies within the industry could still confound the planners, but in France Government-backed "dirigisme" is often remarkably effective. Equally, Suppliers.

But Verdun should not be confused with Vichy. It carries no overtones of defeatism.

Tartiles sector is curproducts dropped a full percentage point from 1978 levels, while increasingly competitive imports last year boosted the 42 per cent share of foreign producers in 1978 to something approaching 50 per cent.

overall industrial production in determined not to finance its France stood at 130. From 1975 own imports crisis. onwards, losses in textile operationa have led to the steady the French approach is to be 1977 it contracted by 2.4 per chemicals giant. Its man-made

"AN industrial Verdun" is textiles equivalent to their activity, but is a stagnating busi- the domestic industry. Though ness in relation to French industry as a whole. Last year textiles bave foreign operations, notably notched up 106 on a production in North Africa, the textile index set at 100 in 1970, whereas industry seems increasingly

> Perhaps the best example of shrinkage of the industry. In found in Rhone-Poulenc, the cent and in the following year fibres activity is crucial to the by 3 per cent. fibres activity is crucial to the national textile chain, that suc-Gloomy as all these figures cession of manufacturing operaare, there is nevertheless a spirit tions running from petro-

There is a spirit of optimism at the top of the major corporations. Managements are cutting jobs in uneconomical areas and by 1985 the industry's payroll may be nearer 250,000.

the textiles industry may well be slimmed down to a payroll of nearer 250,000.

At the same time the indusat FFr 2bn a year, or 4 per cent of the industry's turnover. The French point out that, unlike the German or British textile where is such a traditional, reduce nowadays represents sectors, over 90 per cent of this new technology, so that its 5,000- problem of declaring plant in export earnings, but imports century-based industry into the 20 per cent of all EEC textile investment is being sunk in strong workforce will have a closures—without provoking rising to FFr 21-22bn.

of optimism at the top of the chemical processing right major corporations. Unsentithrough to garment making-np. But Rhone-Poulenc Textiles has are stripping out jobs in un-economical areas, and by 1985 past five years. Last year's losses are put at FFr. 500m and for 1980 the forecast is that they will stand at FFr 250-300m.

Next year Rhone-Poulenc try's 1979-80 investment spend- Textiles is aiming to break even, ing is outstripping France's and to do so it has nndergone a other manufacturing industries. radical overhaul. Employment Investment is currently running in France's dominant synthetic fibres producer is being cut from 14,000 to just 5,000. As part of that cutback, the company aims to boost productivity through

yearly output of 220m tonnes of fibres, as against the level of up to 250m tonnes produced by almost three times as many employees.

It is also turning over as much of its output as it can to more sophisticated speciality fiores. Its senior management is certain that Rhone-Poulenc can no longer compete in the production of "banal" fibres but only on those with bigh added-value. It is now an axiom inside the group that the days of major man-made fibre production in

So far, Rhone-Poulenc Textile about half way through its pruning drive. Six of its plants are shutting down and the payroll is now rather more than 10,000. By the latter half of the decade Rhone-Poulenc's textile activities will have been reduced from almost 20 per cent of total group turnover to 12 per cent.

A great deal of trouble and cost is being devoted to ensuring that the lay-offs sour labour relations as little as possible. Geo-graphically, France's textile industry is highly concentrated, with 32 per cent in such tradi-tional mill towns of the north as Lille-Ronbaix-Tourcoing, a further 24 per cent runs in a belt along the eastern border and 21 per cent is centred on the Lyons area and the Rhone

Rhone-Poulenc's answer to the



those mede wholir-owned SOPRAN (Societe pour la Rechere d'Activites Nouvelles) aims to attract new investment by offering price concessions on this in an interview with the Rhone-Poulenc factory muildings | Financial Times in which he

The group naturally makes no cash grants to incoming com-panies, but so far about 20 new concerns bave been attracted

In line with its strategy of concentrating of adding value to textile products, the French industry is involved in a bid to double the value of its exports If it does so it will go a long way toward reversing France's widening textile trade gap. In 1978 38 per cent of France's textile ontput was exported, earning FFr 16bn, but imports were FFr 17bn. Last year's deficit is likely to be double that: projections show FFr 19bn

# Poland to seek further \$5bn in loans this year

BY CHRISTOPHER BOBINSKI AND ANTHONY ROBINSON

POLAND, WHOSE foreign debt equals or exceeds that of the subsidiary year to finance its trade deficit optimism. and service its existing debt. Mr. Henryk Kislel, the Polish

Finance Minister, confirmed and co-operating on retraining said that difficult economic conditions in 1979 had put back by a year earlier hopes of reaching equilibrium in foreign trade

by 1980 and a ceiling to forcign debt growth by 1981.

This year's gross borrowing target is roughly equivalent to the sum which Poland raised last year through Euro-currency borrowings, export credits and U.S. Government guaranteed Commodity Credit Corporation grain purchase loans.

#### Servicing cost

Last year's borrowing brought Poland's total outstanding foreign debt to an estimated According to Mr. Kisiel, the average cost of borrowing was 10-11 per cent and higher interest rates last year added an estimated \$100m to the debt servicing cost.

Asked to comment on the possible repercussions of the Afghanistan crisis on future borrowing, Mr. Kisiel said that, so far, Poland " has not bad any signals implying that we would face any additional difficulties

to those we faced before."

Poland's heavy borrowing to finance a decade of large-scale investment in Western technology has made it highly dependent on Western banks and access to Western markets. This has undoubtedly been a factor behind the leadership's rather embarrassed reaction to the invasion of Afghanistan.

Western bankers bave indiing policies are now under review and that borrowing by East European countries is likely to be more difficult and more expensive in fature.

Poland originally expected that its heavy borrowing and Soviet Union but which lacks investment, programme would that country's gold, oil and have helped it to expert more the creation of a special unit other resources except coal, and repay debt earlier than has responsible for developing new copper and sulpour, is hoping actually proved to be the case, industries capable of employ to raise a further \$500 from the Industrial problems and bad redundant international capital market this barvests have dashed earlier

Mr. Kiseei described 1979 as "one of the most difficult years since the war." He blamed the barsh winter for transport and energy supply problems which cut industrial growth to 2.8 per cent from the 4.9 per cent larget. The poor harvest, furthermore, placed an additional strain by necessitating the import of 9m tons of grain compared with the 5m tons originally forecast. Both combined to push overall economic growth well below the already modest 2.8 per cent target, he

According to the placing memorandum prepared by Poland for last year's \$550m general purpose loan arranged by the Bank of America, the trade deficit last year should bave been only \$660m. But economic stagnation at home and the unplanned \$600m increase in grain imports meant that the actual trade deficit was \$800m more than planned :: at \$1.4bn. This was in spite of a substantial rise in hard currency earnings to \$6.9bn from \$5.5bn in 1978, Mr. Kisiel said. This is only a "slight reduc-tion" from the 1978 deficit and has put back by a year the target date for the levelling off

of Poland's foreign debt. Strong denial

Mr. Kisiel strongly devied Western reports that Peland had sought to re-schedule some

"Throughout the year, we repaid our obligations punctually and asked no one for rescheduling or a moratorium. cated that their Comecon lend- be stressed. This year Poland is aiming to reduce the trade deficit by around \$1bn to some \$300m-\$400m and hard currency export earnings of \$7.8bn-\$8bn

# If you haven't experienced a holiday in Florida yet...start here too. You'll come home with a glorious Florida mileage fare. With this ticket you can fly to any

How about taking a holiday somewhere different? Somewhere like Miami, perhaps? Or the Florida Keys? Or Palm Beach?

Resorts throughout Florida

In association with highly experienced and reliable tour operators, National Airlines is all set to fly you on a fabulous Florida holiday centred on any one of these resorts and there are several others to choose from,

tan and full of memories of the lovely Florida coastline and countryside. And tales of man-made marvels like the Kennedy Space Cepter as well, no doubt.

Fly any day of the week

Our National Airlines "Florida Specials" are special. For a start, you can begin your holiday any day of the week at 11.15 a.m. because National fly to Miami daily - on scheduled services from Heathrow.

Some fabrious hotels

The hotels included in our packaged tours include the famous Fontainebleau Hilton, the luxurious Doral-on-the-Ocean and the Doral Country Club. Not to mention the Daytona Hilton, the Hilton Inn in Orlando and other splendid hotels throughout

A marvellous \$99

unlimited mileage scheme!

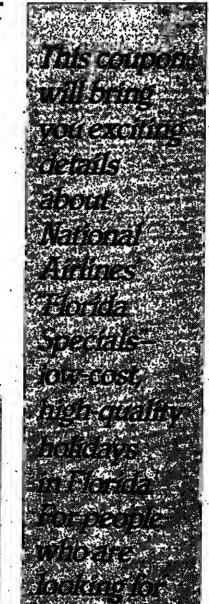
Of course, once your arrive in Florida you don't have to do anything you don't want to do. You can sightsee, laze - or take advantage of our astonishing value \$99 7-day unlimited

or all of the great American cities on our routes. Perhaps a flip across to San Francisco to see the Golden Gate? Or a trip to New York to see if it's as thrilling as you imagined it would be? Or a flutter over to Las Vegas for a

America's warmest welcome

You'll feel the warmth of our Florida of our comfortable, wide-bodied jets. Because we live in Florida and love it, we want you to love it, too. We're exceptionally well placed to give you the benefit of our. know-how about Florida and to make sure you get the very best out of a fantastic holiday

We give details of some of our holidays below. Because eating out in America can be so enjoyable and inexpensive (a steak dinner for about £2.50, cooked breakfast for about 75p and a top-class meal for around half what it would cost in London) the package rates below include flight and accommodation only (plus a car or sightseeing where specified).





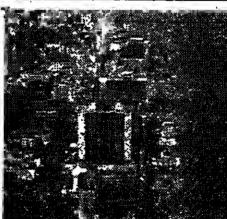
The Wonderful World of Walt Disney Children will love it of course - but we find that adults are entranced as well!

So why not find time for a trip to the Wonderful World of Walt Disney on your Florida holiday? You can stay at nearby Orlando or in the Walt Disney World Village of Lake Buena Vista. From here you can visit the Magic Kingdom and voyage with marauding pirates, shake hands with your favourite Walt Disney character, take a steamboat cruise stopping off at Discovery Island, and experience countless other magical adventures. Two- to seven-night holidays at Walt Disney World are available. 10 mights in Fiorida plus 4 nights on Lake Buena Vista from £529\* per person.

Price covers 10 nights in Miarni Beach. travel and accommodation at Walt Disney World's Royal Plaza Hotel on Lake Buena Vista and admission to many attractions.

the natural beauty of Florida for yourself, we have a superb collection of fly-drive holidays: accommodation is included in the price. The tour below includes your flight to Miami from Heathrow and the hire of an air-conditioned car for two people. There's no mileage charge (insurance, etc, is extra) and petrol, which you should have no difficulty in buying costs about half as much as in the UK.

9 days (7 nights) from £287\* per person. Includes flight, car hire and accommodation vouchers.

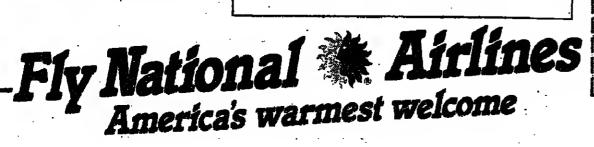


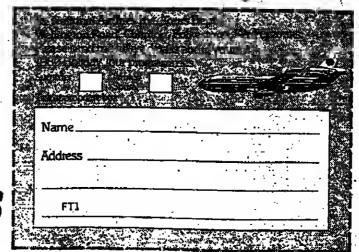
Get a Florida tan in glamorous, sundrenched Miami. Stay in one of the breathtaking Florida hotels, all of them noted for hospitable American service and wonderful holiday facilities. At the Fontainebleau Hilton, for instance, there's an incredible half-acre pool in a tropical grove with a bar behind a giant waterfall! Plus 1,000 feet of private beach, day-and-night tennis and an 18-hole PGA golf course within easy reach. 9 days (7 nights) from £319\* per person. Price includes flight, hotel, etc . . .



#### Your Florida Welcome Bonns Book

Before you set off on your holiday, National Airlines will provide you with your Florida Welcome Bonus Book-a book of coupons giving you discounts off lots of items of holiday expenditure-drinks in bars, hairdressing, sightseeing tours, and so on.





# Poehl warns of big OPEC cash problem

BY JONATHAN CARR IN BONN

A WARNING that the international financial system will face a still bigger challenge in recycling the OPEC surpluses in the 1980s bas come from Herr Karl Otto Poehl, new president of the Bundesbank, the West German Central Bank.

Herr Poehl made the point in a lengthy television interview during which be also ranged over the problems of domestic monetary policy, inflation and gold. It amounted to the broadest statement of his thinking since be moved from the vice-presidency to the top Bun-desbank position at the start of this month.

Comenting on the impact of the recent large oil price increases, Herr Poehl said be felt the financial system would prove flexible enough to finance the bigger deficits in the non-OPEC world this year. For one thing, the International Monetary Fund was in a stronger position to be of aid than it had been during the 1974-75 oil crisis.

But be also noted that OPEC was likely to have a surplus of between \$60bn and \$80bn this year alone—on top of an accumulated surplus already totalling more than \$200bn.
This constant accumulation would present even more grave problems in the course of the next decade. question was whether

itself would move to restrict oil output on the grounds that it could find no investment for its additional funds. Herr Poehl noted that both Iran and Britain had taken decisions implying there would be less initial oil production than had once been planned, with supply stretched over a longer period. He called this action rational, but asked what would happen if many other OPEC members



Herr Poehl: difficulties of surpluses

followed for financial reasons. Herr Poebl stressed that the Bundesbank had no alternative but to counter the added inflationary impact of the oil price increases through a tight

monetary policy—just as it had done in the 1970s after the first major oil shock. However, a successful attack on Inflation (currently close to six per cent at an annual rate) implied also that the Government was able to check its indebtedness and that reasonable settlements were reached in the current wage bargaining round. If all played their part, the worst inflationary damage could

FINANCIAL TIMES,

still be avoided.

#### ADELA INVESTMENT COMPANY S.A. \$25,000,000 Floating Rate Notes 1983

Notice is given pursuant to Condition 4 (e) of the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 11th January 1980 to 11th July 1980 is at the annual rate of 1518%. The U.S. dollar amount to which the holders of Coupons No. 9 will be entitled on duly presenting the same for payment will be \$79,309, subject to such amendments thereto (or appropriate alternative arrangements by way of adjustment) which we may make without further notice, in the event of an extension or shortening of the above-mentioned interest Period (f)

> Bank of America New York (Principal Paying Agent)

11th January 1980

orizinaliy proclient by

Lim prepared (2017) to all the first and first unplanned 550 armin imports a control trade definition of their plants was in spin-Tise Ut have 217.20 to \$6.9m; n the 1979 dein

bank by a feet 's foreign debt Cental Free House Towns. Trans. Br

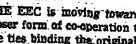
employment and inflation levels are higher than the EEC average, internal demand is slack and Spain is even more dependent on imported energy than

The twin industrial priorities of Spain in the coming years will be to raise productivity levels, and to increase the added value of goods. Present unemployment levels of 8.7 per cent can only be pegged at that high rate if the Spanish economy grows at 5 per cent

a year.
"Spanish Industry and the Impact of Membership on the European Community," European

pean Research Associates, 39 Bd. Clovis 1040 Brussels,

Flowers say vou care and remember. There's no more personal way to express sympathy. For guaranteed delivery and the widest choice of eaths and florai imbutes, see your local Interflora florist. Towers bring comfort



THE EEC is moving towards a culture and other aspects of they had achieved so far, but the optimistic on progress towards caused by bad management. The looser form of co-operation than Community policy.

EEC as a whole was clearly the ties binding the original six. The UK's wrangle with its moving progressively towards a members, M. Raymond Barre. the French Prime Minister, said here yesterday. His remarks, made at a business conference. hinted at different categories of EEC membership as a result of enlargement.

They also seemed to lend force to recent reports that the French Government may be thinking in terms of a special associate status for Britain in

Pay frozen

months in

Netherlands

THE DUTCH Government

months to allow it to draw up a

three-hour meeting with nnions

and employers failed to produce

agreement on a voluntary

The decision was taken

The freeze will apply to an

despite government doubts

about its effectiveness and comes just as the 1980 wage

interim agreement reached on Wednesday by the food industry

unions for 22,000 workers in the

meat processing sector. This agreement, which would have

run to the end of April, gave extra payments for unpleasant

work and was intended to get

round the threatened wage

.The Government has compro-

mised on its original intention to freeze wages for three to four months. Parliament's ap-

proval is not necessary for the measure which can be taken." if

the economic situation justifies

it." a Social Affairs Ministry

spokesman said.
The opposition Labour party

said, however, that it will seek an emergency debate when Par-

liament reassembles later this month. Unions and employers

opposed any intervention by the Government in wage bargaining,

Warning

for Spain

SPANISH industria

sectors are likely to benefit when Spain joins the European Community, according to a re-

port released in Brussels yester-day. But a further three import-

ant industries are regarded as borderline cases that may derive

some advantage and two are

Steel, textiles, footwear and chemicals and petro-chemical

activities are pinpointed as

areas where Spain can expect to compete effectively inside the Common Market Ceramics, paper and toys are also capable

of holding their own but ship-ilding and the motor industry are risk areas.

at the request of the European Commission by European Re-search Associates, a Brussels-

based research unit, and, in effect, gives a warning that the

Spanish Government should not

be pressed too hard during the

detailed membership negotia-tions that will take place this year. The authors conclude that

Spanish industry will have more

difficulty adapting to the EEC than will the Nine in increasing

The report makes plain that the considerable achievements

of Spanish industry in recent years tend to disguise the prob-lema that exist. Spain's un-

sales to Spain.

The study has been prepared

seen as possible victims.

on LLC

for two

merely an issue of pounds and braught into question the main- tional and more elastic. tenance of the principle whereby the EEC disposed of its own resources. The type of co-opera-tion enshrined in the Treaty of Rome, with institutions that were implicitly "federalist," bad come to grief.

The original members should

Barre foresees more loosely-linked EEC

With the imminent entry of EEC could no longer rest on mechanisms which were equally EEC Commissioner.

Monetary System.

M. Barre warned French combinding on all members, said panies that continued modera- rejected as over-pessimistic an M. Barre, himself a former tion in wage increases was imperative this year. They could Addressing a conference on not expect Government aid to not give up anything of what prospects for the 1980s, he was help them out of difficulties

stage, private creditors would refuse to lend more. Finally, political instability would

Francis Ghiles In London

adds: A number of bankers

doubt wbether Denmark would

he able to get a prime rating from U.S. rating agencies were

it to try to raise a bond in the

European countries on the in-ternational capital markets. Last year it raised a total of

\$1.8bn worth of loans and inter-

When raising Deutsche Mark

è per cent more interest

bonds, Denmark has to pay

Denmark is one of the larger

follow, he aaid.

United Statea.

national bonds.

borrowers among

EEC as a whole was clearly greater currency stability. This Government aimed to bring the would be brought about through inflation rate back down to partners over the size of its more confederal model. New an improvement in the position single figures this year after a budget contribution was not forms of co-operation were of the U.S. dollar and better final figure of about 11.5 per merely an issue of pounds and evolving, whose workings would international monetary co-cent in 1979. The underlying pence, M. Barre said, but be less institutional, more func-operation. He reiterated the inflation rate last year, leaving co- cent in 1979. The underlying priority given by the French out the effects of higher energy Government to the stability of costs, was 8.5-9 per cent, and Greece, Spain and Portugal, the the franc within the European the degree of price slippage was less serious in France than among ber partners. M. Barre inflation forecast of at least 11 per cent this year, contained in an opinion poll of business

# **IG-Metall**

WAGE BARGAINING began yesterday in West Germany's key 3.5m-strong metalworking sector, with management describing trade union de-mands as far out of line with it is ready for a long negotiating haul.

The leader of the employers'

# demands 10% rise

economic reality and saying

organisation, Gesamtmetall, Dr. Dieter Kirchner, said the demand by the union, IG-Metall, for increases of up to 10.5 per cent bad already been excessive when announced in early December. Since then the new oil price rise and the Afghanistan crisis had reduced still fur-ther economic grewth pros-pects for 1980.

Most West German collective agreements last year hrought increases in wages 5 per cent. But with inflation now edging towards the six per ceut mark at an annual rate, the IG-Metall leadership clearly felt it had to take a much tougher initial negotiat-

## Sweden's shipyards face more closures

THE BOARD of Svenska Varv. the state shipbuilding company, retrenchment plan for Swedish anipyards which ia likely to cause a political storm for the non-Socialist Government. The plan has already been rejected by employee representatives on the Board and by the metal-

Svenska Vary wants tn close large Oresund yard in Landskrona and the small Finnboda yard in Stockholm. That would leave three major yards, but their workforces would be

The plan calls for an overall reduction of 7,920 in a workforce of 20,000. The group has already cut employment at its yards by 9,000 since 1976.

In addition the Board is seeking a further SKr 6.5bn (£7bn) from the Government for restructuring. This includes new equity capital of SKr 2.8bn, SKr 800m for product develop-ment, SKr 1.2hn to cover the losses of the remaining yards during the restructuring process SKr 700m to finance the closure of the Oresund and Finnboda yards and SKr 650m to write down the yard's assets.

The group lost more than SKr 2hn pre-tax each year in 1977 and 1978. In November it signalled an operating loss of SKr 625m for 1979, which would imply an overall pre-tax lnss of around SKr 1.5bn. The latter figure, bowever, includes the Kockums yard in Malmö, the last major privately owned yard taken over by Svenska Vary last year.

The government has spent



came on the same day that the Government tabled its 1980-81 budget, in which it announced that it would cut severely its

The government is due to table a new ahipyards Bill in the spring. It may not be able

Swedish shipyards which have already seen the loss of 9,000 jobs in three years are expected to lose a further 7.920 out of the 20,000 remaining if the state shipbuilding company's five-year retrenchment plan goes

to accept the Svenska Vary board's restructuring plan because a rebellion by only one MP would deprive it of its oneseat majority in the Riksdag

ahead.

(Parliament). A demoostration to protest against the Svenska Vary plan is due to take place today in Landskrona, a small west coast town, where the yard provides 40 per cent of jobs, Some 2,840 people would become redundant there.

Vary's call for further finance at the Oresund yard in Landskrona and to approve long-term refinancing of the group.

lo addition to the closures Svenska Varv's plan would cut yard in Gotheoburg by some 1,500 and would switch the labour to making offshore constructions and pre-fabricated factory plants. Employment at the smaller City yard in Gothen-burg would also be reduced by

Gothenburg, Sweden's second city, has been hardest hit by the collapse of the Swedish shipbuilding industry. Eriks-berg, one of the big yards, has already shut.

It is intended that the Uddevalla yard should conceotrate on building tankers, bulk and product carriers and its nutput would be maintained during the five years of the plan. Some 100 jobs would be

The Kockums yard at Malmo would continue to build the gas and chemical carriers in which it has specialised but would diversify into pre-fabricated factories and build some bulk and product carriers. Its workforce would be cut by 1,880. The number of jobs in the

Karlskrona yard, which specialises in naval vessels, would decline from 1,550 to 1.250 but this vard is thought Employee representatives on to have sufficient orders in hand the board have asked the or io sight to enable it to main-SKr 12.5bn on shippards during Government to instruct Svanska tain its current production the past three years. Svenska Varv to maintain employment level.

# Denmark facing an 'abyss' says Central Bank chief

"BY HILARY BARNES IN COPENHAGEN

THE GOVERNOR of the Danish central bank, Mr. Erik Hoffmeyer, and yesterday that Denyesterday froze wages for two mark was on the way to an "economic abyss" and bad lost programme to meet worsening economic problems. Mr. Dries international respect because of its increasing balance of payvan Agt, the Prime Minister, ments deficit. announced the freeze, which took immediate effect, after a

paper Berlingske Tidende, he said that Denmark was losing its freedom to act in financial policy because of heavy borrowing abroad. The country was forced to maiotain extremely high interest rates averaging about 18 per cent on long-term lending.

"It is depressing to experieoce bow we are increasingly regarded as economically irresponsible, and this, of course, affects the evaluation of the viewa we put forward on other political issues."

Denmark bad reached three of the six stages of selfdestruction. In the third stage we lose credibility when we explain year after year that we

BY DAVID PALMER IN ANKARA

The new Turkish Government

the degree of its commitment to the NATO Alliance and to the Western world.

"My main impression was

Turkey's strong adherence to the Alliance, symbolised by her

agreement to bost the next-

Ministerial meeting of NATO in

Ankara in May," Lord Carring-

The Turks bave expressed to

ton declared.



Mr. Hoffmeyer: loss of

International respect so and so much and then It turns ibg year is just as big or bigger." would have to ask the European

key of a break-up of Iran. Any move by either the Iranian Kurds or the Azerbaijanis to

secede from Iran with Russian support would exacerbate an already difficult situation in Tur-

key's eastern region, and particularly among its 5m to 7m

Mr. Demirel outlined to the British team his programme for

restoring the Turkish economy.

whose foreign debt totals some

Knrdisb population.

In the Swiss franc sector bonds the extra interest was to be 1 In the next stage the country now have a plan in preparation Economic Community or the to reduce the external deficit by International Monetary Fund

The very quantity of Danish paper io the market is behind the higher rates, according to

#### Denmark has never tested to date the New York capital

# It was like Oliver Twist in reverse, Mr Wagstaff...

"... I asked for less and you gave me more!" You've got your cash flow projection to thank for

that. You did a good job there', said Mr Wagstaff. 'With a little help from you and Jack Rogers!'

Well, Jack's one of the best accountants in the business. You won't go far wrong with him on your side.

But you suggested doing the cash flow in the first place, Mr Wagstaff. Don't be so modest!'

That was in our interest as well as yours. We both need to know where you're going, don't we? No point in lending you money to set up a new factory and then having you find out in a few months that it's not nearly enough. Sleepless nights for you. Headaches for us. Hardly the way to start expanding your business!

'Well, that cash flow chart showed I needed almost twice as much as I thought I did, so I'd have had sleepless nights all right! But now, instead of counting sheep I count all those extra hi-fi speakers we'll be making in the new place, and fall asleep dreaming of exporting to Japan!'

Perhaps we can help your dreams come true, Mr Greening. Hi-fi to Japanthat's just the sort of coals-to-Newcastle challenge our branches thrive on!'



Wagstaff reflected on the novelty of it all.

#### WILLIAMS & GLYN'S AND CASH FLOW CONTROL.

few firms are fortunate enough to see money coming in always matching money going out. To produce your goods you have to pay for the components from which they are made, i.e. buy raw materials, pay for wages, rent, lighting, heating and so on. However, you won't normally receive payment for the goods until some time after delivery. So it is of the utmost importance to compare the payments flowing in with the payments flowing out. A specimen chart indicating the sort of information you need is available from any Williams & Glyn's branch. The chart covers 12

In the day-to-day running of a business only a months and shows the kind of receipts and payments you might expect to incorporate. In this way you can make a reasonably good estimate of your financial needs for the year ahead.

Cash flow control is only one example of the wide variety of money matters on which the manager and staff at every Williams & Glyn's branch can offer friendly, expert advice to business and personal customers. For further information call in at your local braoch, or write to: Marketing Development Office, Williams & Glyn's Bank Limited, New London Bridge House, 25 London Bridge Street, London SE19SX.

Our business is pounds, pence and people.

of The Royal Bank of Scotland Group and one of the Inter-Alpha Group of Bank



#### the British their support for the integrity of the countries in the Lord Carrington left Ankara yesterday for Oman. From there, be will travel to Saudi. Arabia, Pakistan and India. region, and in particular for tha co-ordinated actions being defend Pakistan Commission steps up its

farm curbs campaign

Turkey committed to

TURKEY'S ANALYSIS of the against further encroachment

situation in Afghanistan was by the Soviet Union, described as identical to Yesterday Lord Carrington Britain's by Lord Carrington, spent an hour talking with Mr. described as learnington, spent an hour falking with mich Britain's by Lord Carrington, spent an hour falking with mich the British Foreign Secretary. Demirel, following a series of the British Foreign Secretary, discussions with Mr. Hayertin discussions with Mr. Hayertin

of Mr. Suleyman Demirel bas bere at the implications for Tur-

West—Carrington

BY JOHN WYLES IN BRUSSELS

THE European Commission is price proposals for 1980-81 to launching its bid to pull the EEC out of its budgetary crisis with timetable aimed at putting maximum pressures on member Governments to curb runaway agricultural spending. For several years, the Commission's aim for more australty on the agricultural front has been thwarted by Governments which bave boosted farm-price spending by 20 per cent a year for the last five years, with the result that it consumed 75 per cent of

the EEC budget last year. But it is believed here that opportunities for a clamp-down are now excellent, following last month's rejection by the European Parliament of the £11.3bn draft 1980 budget because Ministers would not grapple convincingly with the agricultural problem.

The Commission bas now decided to adopt a so-called rectifying budget on February 13 that they will save £850m (1bn which will incorporate its farm- units of account) in a full year

be completed a week earlier. Much could depend en the Commission's farm-price propo sals. Hawks within the Com mission are arguing for a price freeze, but current indications are that overall increases of between 2 and 3 per cent may be tabled.

Mr. Christopher Tugendhat, the EEC Budget Commissioner, impliad support for a bard line in a speech to the National Farmers' Union in Stafford yes terday. He urged Ministers to tackle the problem so the burden of cost-cutting was borne equally by producer-countries He also highlighted Commission proposals to reduce the costs of surpluses of dairy products. sugar and beef. These propo-sals are corrently being closely examined hy permanent offi-

cials, who are seriously ques-tioning the Commission's claim

### **Devolution compromise** saves Martens coalition

BY GILES MERRITT IN BRUSSELS

THE BELGIAN Prime Minister phone Walloona by abandoning Mr. Wilfried Martena, yesterday the federalisation scheme that averted the collapse of his coalition government and brought to an end the weeklong political crisis that had government that can govern, threatened to provoke his resig-

To avoid the walkout of two of the three francophone parties in his fragile six-party coalition. Mr. Martens bas been forced to shelve the controversial devolution programme that northern triggered the crisis. Ironically, Flanders region and francobe has been able to defuse this latest outbreak of the "language war between Belgium's Dutch-conomic autonomy: speaking Flemings and franco-excluded altogether.

was designed to bring peace.

Emphasising that Belgium'a top priority was to bave " Mr. Martens announced yesterday that a beavily diluted devolution plan is to replace the one that would bave given selfgoverning powers to Flanders, Wallonia and Brussels itself.

For the next two years, the phone Wallonia to the south will have very limited coltural and

# Russia doubts West's determination to restrict exports

willingnes of capitalist countries U.S. sales to Comecon to curtail their trade with com- accounted for by exports of munist countries willingly finds grain and agricultural products. its ideological justification in Lenin's assertion that capitalists could always be counted upon other Western countries to hack to sell even the rope which would be used to bang them.

monopoly purchasers Comecon negotiators have also developed tn a fine art the practice of pitting one potential supplier against another to obtain both the best conditions and access to as much free technological information as possible. They are also major subscribers to western technical and specialised journals of all kinds and have invested vast sums in their technical educatio¤ systems.

In spite of this, the speed and extent of autunomous technological development, outside the military field, has lagged behind the West over a wide range of industries and applications. Closing the technology gap has been the main priority of Cumecon planners when allocating scarce hard currency resources for imports.

The accompanying table indi-

cates that West European and Japanese companies have played the higgest role in exporting to Comecun. Their relative weight in the industrial and technoIt is that which lies behind

President Carter's appeal for un the U.S. decision to restrict high technology exports by Using their position as agreeing, at least, not to supply computers, oil-related and other equipment which would otherwise bave been supplied by U.S.

Sales of a restricted list of strategic products have long been subject to approval by the 18-nation, Paris-based review body COCOM whose main duty is to assess the potential military applications of some proposed export items.

But Britain and other Western countries are now cooducting a review of their East-West trade. The NATO countries are expected to meet next week, probably at deputy Foreign Minister level, to consider the latest U.S. moves and what action, if any, should be taken to back up the U.S. trade and credit policy.

The list of high-technology goods impurted by the Soviet Union and its Comecon partners is a long, but highly selective me. Computers, electronic equipment, chemicals and energy-related plant are among the most important. The U.S. accounted for half of all com-



period plus 63 per cent of spare parts and one third of peripheral equipment exports. West Germany and Britain tied for second place, supplying 17 per cent of the computer market

led to long term oil and gas supply contracts in return for West German and Italian. Japanese steel pipes, pumping, measuring and construction equipment Rolls-Royce also headed the British Cobberow

committed themselves. FT correspondents analyse the possible implications

To be effective, the

technology exports to

Western nations. So

the Soviet Union needs

U.S. ban on high

support of other

far, they have not

puter exports in the 1972-1977 consortium which recently period plus 63 per cent of spare supplied £100m of lightweight. gas turbine cumpressors and

What the Soviet Union, in particular, is looking for in the 1980s and beyond is the sort of sophisticated drilling equipment, gas-lift and other recovery European compensation agreements in the energy field have and the sort of off-shore drilling know-how accumulated by British and other companies in the North Sea.



nnhowed

technology. The contract for was awarded last month to assumption of U.S. business Armoo of the U.S. and Nippon Steel. It is not clear whether this deal falls within the T.S. high technology ban.

advanced stage of negotiation standing and for which contracts are due to be announced over the next few months is the \$300m pro-A number of major projects ject for deep sea drilling plathigh technology used in comare already in the pipeline for forma for oil exploration in the piling the Commerce Depart-which the Soviet Union will Caspian Sea. Three Western ment's list of the 742 Soviet have to turn to the West for consortia have heen negotiating trade licences issued last year

A second project at an

comprising Wimpey. Brown and Root of the U.S., and British Petroleum, a French consortium headed by Technip and a joint bid by Mitsubishi and McDermott of the U.S.

Another project for which the Sovie: Union has requested bids from Western companies is the 31bn project to exploit sour gas deposits near Astrakhan Companies from which the Soviets have asked for bids are
Pantec-Lavalin with Creusot
Loire, Davy Power Gas. Alherta
Gas Trunk, Mannesman Lurgi, covers a vast range of hardleom, Nippon Steel and Fluor. PRESIDENT CARTER, in announcing a review of export licences to the Soviet Union. has in effect put on ice the whole of U.S. Soviet trade in

weeks an inter-agency task force will sift through all outstanding high - technology transfers from the U.S. to the Soviet Union

The existing definition of

MAIN WESTERN EIPORTS TO EASTERN EUROPE

(FISE	nau i	19:2 m			
Bulgaria Czechoskovakia GDR Hungary Poland Romania USSR	UK 26 73 59 61 300 75 434	W.Get. 173 453 1,665 580 583	France 68 71 178 111 337 273	10alv U.S. 56 51 63 83 76 139 127 42 179 280 148 288 482 1,458 551 389	16 66 25 192 100 1,288
				الكفالية بالمساوية بالمراجعين	

Mitsubishi and Parsons, Technip ware specified in a 60-page book and SNPA, Occidental Petro- describing items which could be regarded as militarily useful to the Soviet Union. The Department would not

yesterday name companies and contracts at present licensed to export goods to the Soviet Uning, but it was clear from this Commodity Control List that most categories of goods could be embargoed if the President wished

The main beadings of the list are electronics goods, metal working machines, chemical and petroleum equipment, general industrial equipment, power generation equipment. transportation equipment, precision instruments, metallurgical hardware, and rubber products.

Soviet Union last year was \$600m, of which the high technology component is variously The value put on exports of estimated at between \$200m

VALUE OF MAPORTS

EQUIPMENT FROM

OF COMPUTER

THE WEST

# Carter's tactics displease business, but shift welcomed

BY STEWART FLEMING IN NEW YORK

are privately showing mount- assets in U.S. banks, following deposits, intervening directly in inter- seizure of its employees as oational financial and trade re- hostages. The freeze was exlationships to achieve its fureign policy ubjectives.

However, the broader shift in U.S. foreign policy, with its greater emphasis on the security of energy supplies from the Middle East and higher defence spending, is being

The tightening of restrictions on U.S.-Sovlet trade in grain and high technology products, in retaliation for Moscow's invasloo of Afghanistan, repre-seots the second time in as many months that President Carter has turned to a strategy

concern at the Carter the takeover of the U.S. inistration's tactics in embassy in Tehran and the

Businessmen might be expected to react violently to such intervention in their markets. Indeed, European bankers are said to have been outraged by the freeze on Iran's assets, particularly the extra-territorial

But in the U.S. businessmen

that there is growing concern ing debate on the issue to about the Administration's use develop in the coming months. of trade and finance in pursuit the Wall Street Journal. It and instead heing deterrent" attracted to economic warfare

involved but money." On top of this, many business and bankers have for the most leaders are, to quote the bead see a positive side to the U.S. part beeo remarkably sleot so of a leading New York invest-response. At a recent meeting ment bank, "distressed" by the

because there is nothing much

through the "normal business However, there la no doubt sources." But he expects a grow-

Businessmen generally are of tended to cover foreign subsidiaries of U.S. banks, and the
U.S. now wants its allies to take
ment of this mood came earlier
face of the Soviet challenge.
further economic moves against in the week in an editorial in They fear that criticism will be interpreted as unpatriotic, as accused the Administration of the complaints of a group more "funk" of being unwilling to concerned about profit than the employ the obvious tactic "of huilding a better military also recognise that trade in technology represents only a tiny proportion of U.S. companies' business with the USSR.

But among businessmen showing restraint are those who also of the Business Council, a group comprising senior executives of Carter has turned to a strategy of intervection.

The earlier case was the banks appear to be protected in variety of reasons, as one panies, there were expressions respected," is how one executive of puts it.

The earlier case was the banks appear to be protected in variety of reasons, as one panies, there were expressions respected," is how one executive operation for the grain industry curtail their business relation-because farmers, grain traders ships with American banks.

U.S. businessmen and bankers November to freeze Iranian by their holdings of Iranian is not now being communicated Middle East oil supplies and the inadequacy of defence spending, particularly on conventional

> Recent moves by the Administration which can be traced as a response to Middle East developments-in particular the decision to step np defence spending, and the approval of a new jet fighter for export only reactions by the President.

To some extent, therefore, the restraint in volcing criticism of some of the tactics being employed over Iran and Afghanistan reflects approval of the broader shift that appears to be underway in foreign policy. "I do not see any benefits in the short term in the economic order for business, hut I do see

WORLD TRADE NEWS

One of the most common lines and exporters were facing some of direct criticism over the nomic weapons, however, dwells on fears that trade restrictions will be easy to circumvent, and anxiety about whether allies will

support such steps. There is also concern over the haste with which President Carter's initiatives seem to have been taken. Indeed it now appears that the Administration itself did not fully appreciate the financial and market implications of the grain emhargo when they made the initial

An even more pronounced worry fecuses on the very real threat that President Carter's moves will simply backfire. The Administration was forced to

disastrous losses with a halt in grain shipments In the longer term it is feared.

that the whole mid-Western farm economy could suffer because of the removal of so majnr a purchaser as Russia, the effects of an expected cutback in acreage next year and the impact of continuing soft

Some farm leaders have even said publicly that the export cut-off will do more harm to the U.S. economy and the balance of payments than to the Soviet Union.

Bankers have put forward similar arguments about the risk of the Iranian assets freeze. It is argued that the freeze may only encourage oil

There are fears too about retaliation from the Soviet Union, perhaps through its allies in the Eastern bloc who are hig borrowers from U.S. banks. Other bankers feel, however, that leaders in these countries will be sufficiently concerned about their continning access to Western finance to make them reluctant to disturb their relationships.

The expansion of international trade and financial relationships in recent years appears to have increased the opportunities to employ economic sanctions in pursuit of foreign policy objectives. But the increasing complexity of those relationships, and the generally unstable conditions in world financial markets, makes it harder to estimate both the likely effectiveness of such measures and the potential repercussions.

#### **AMERICAN NEWS**

# Soviet ships diverted to avoid ban

BY IAN HARGREAVES IN NEW YORK

U.S. DOCKERS were yesterday ever imposed by the dockers'

The soviet near also confidence of the completing loading and unload—union on a political question, is

4.1 per cent of total U.S. liner federally financed contract trades, most of which is trade in should be shipped in U.S. U.S. DOCKERS were yesterdey ever imposed by the dockers' boycott the 34 ships due to arrive in the next 30 days.

Some Soviet ships have already been diverted by their agents from calla at U.S. ports following the ban on bandling the ships announced on Wednesday by the International Longshuremen'a Association.

The ban, thought to be the most comprehensive of its kind ing to 407,000 tonnes.

U.S. ports, but were planning to who have built up a significant share in U.S. shipping trade.

Soviet ships carried I5.8m tonnes of cargo to and from U.S. ports in 1978, the latest year Most of the cargn was grain destined for the Soviet Union (14.4m tonnes) but the Soviets also had a 40 per cent share in bilateral liner cargoes, amount-

which the Soviet Union is not directly involved. The growth of Soviet third party shipping trade has been a subject of

at several ports launched spot boycotts of Soviet vessels in pro-

THE CARTER Administration to Moscow has laid it open to or stabilise before polling day.

The Soviet fleet also controls Under U.S. law, half of any vessels.

This action was limited in effect by successful Soviet legal acute political concern in the atcion in U.S. courts against the U.S. and has led to previous ban, but the union leadership when figures were available, action by the longshoremen. has made it clear for some years Most of the cargo was grain. In 1978, the union's members that it would be willing to participate in anti-Soviet moves. One minor result of the ban will test about the shipment of a be the interruption of achedules consignment of German buses of Soviet cruise liners, many of to the U.S. in Soviet ships. which make calls at U.S. ports

# likely to

By Lynton McLain

CAPITAL SPENDING on rail-£14.6bn this year, according to southern Soviet Republics of a survey published this morn-Georgia. Azerbalian and

The investment represents a rise of over 22 per cent compared with capital spending on railways in 1979. Investment in Europe ia forecast to reach £4.6hn and in the U.S. is likely to rise by 10 per cent to \$5.5hn

account for £730m- and the Italian State Railways for £474m of planned apending. But the International Railway Jonnal, which compiled the figurea, said the Italian total does not include the cost of 50 new diesel locomotives 530 passenger coaches and 2,400 freight wagons.

fixed investment ceiling of £316m, is expected to spend less on new equipment than Belgian National Railways (£389m) and National Railways Spanish

Non-Communist world railwaya outside the U.S. plan to buy more than 1,000 main-line locomotives, 4,600 passenger coaches and 41,000 freight

In the U.S., more than 60 per cent of planned total expenditure or ahont \$3.5bn will go on

the construction of new rail lines and 10 per cent on new passenger coaches. Less than 5 per cent of European investment will be spent on new

Railways bas been at a high level for some years.

A separate survey shows that demand for rapid transit systems is continuing. The Paris Metro is spending £243m port is budgeted at £68m.

Total spending in 50 major cities on rapid transit systems

# Iran plans to quadruple price of gas to Russia

BY SIMON HENDERSON IN TEHRAN

IRAN HAS asked the Soviet price increase. As it is gas sup-Union to pay more than four times as much for the gas Iran supplies by pipeline to the Georgia. Azerbaljan and Armenia

Mr. Ali Akbar Moinfar, Oil Minister and head of the National Iranian Oil Company, who is responsible for gas, told a Tehran magazine that Iran had proposed a new price of about \$3.50 for 1,000 cu ft for gas exports. The present price is 74 cents for 1,000 cu ft. It was known for many

months that Iran was unhappy about the price it was selling its gas. The Soviet ambassador to Tehran had met Mr. Moinfar two weeks ago in what was des-

plies are believed to be only half the contracted volumes, and last year during the Iranian revolution the Igat-1 pipeline was closed down when oil production drupped. Factories and houses in the southern Soviet Union were forced to find alternative sources of energy.

Iran has previously said it believes that the present price for its gas exports is only a third of the world market price and often mentioned as part of its case, that Moscow pays higher prices to Afghanistan for gas from that country.

Observera believe Tehran's present crisis with the U.S. and

cutting gas exports completely

by 1985 Iran has, after the Soviet Union, the world's largest gas reserves. Until the revolution, work was continuing on a second larger pipeline. Igat-2, to the Soviet Union. This project worth \$3bn involved a trilateral arrangement hy which Western Europe would have received 60m cubic metres per day of gas from the Soviet Union by the mid-1980s. But this has now been cancelled. It is not clear whether by

winning a substantial price increase Iran will be prepared to continue gas export to the Soviet Union after 1985. The economic the possibility of veiled Soviet relationship between Moscow support for its position by the use of its security council veto to break. There are a number of cribed as the first part of bilateral negotiations over a new contract.

The Soviet Unfon will hardly be pleased with this proposed and officials have spoken of silos around the country.

# British Aerospace in Peking

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

British Aerospace already hea

a firm foothold in China, bav-ing supplied, in the past, both Trident and Viscount airliners to the Chinese national airline, which are still being operated. BAe believes that its current

of substantial new military and needs, while the Chinese are lopment.

BAe Harrier vertical take-off guided weapons and space actifighter. There have been exten-vitles, and Mr. Peter Montyn, sive exchange visits between for the Aircraft Group, respon-officials of the Chinese Govern- aible for civil and military airproducts, such as the One ment and British Aerospace craft. They are based in the Eleven twin-engined let airliner, through 1979.

Peking Hotel:

BRITISH AEROSPACE bas aet and the HS-748 twin-turbo-prop British Aerospace will be up its own office in Peking in airliner could meet some of making a big effort at the forth-order to exploit the possibilities China's present air transport coming British aircraft industry civil aerospace business between also known to be interested in hai from March 27 to April 5. that country and the UK. the new BAe 146 four-engined The group's Chinese represen The group's Chinese represenfeeder-liner, now under deve tatives are Air Vice Marshal Derek Stapleton, who is chief China has also expressed marketing executive for the strong interest in buying the Dynamics Group, responsible for

# Sanyo Electric pact with China

BY RICHARD C. HANSON IN TOKYO

SANYO ELECTRIC bas reached such a company would operate, on the board of directors. a preliminary agreement with although it set out the principle China on the creation of a joint for joint ventures last year.

BY ROBERT GIBBENS IN MONTREAL delivered his answer to the and Manitoba. Levesque Government's proposal for the province's sovereignty-association,

made a commitment to offer a free choice on the language of edocation issue. Mr. Ryan proposed a new con- Liberals would redeem their which would abolish the senate in Ottawa and replace it with a Federation Council. This would

represent the provincial governments and they would have the right to veto major legislation and appointments. Quebec would have 25 per cent of the mem-Under the proposals French

and English would remain the

official languages of all federal

MR. CLAUDE RYAN, Quebec's legislatures in Ontario and New that under the existing constitu-Liberal Party leader, yesterday Brunswick as well as Quebec tion, the British North America

tion exclusively over education, manpower, family and divorce manpower, family and divorce
The Government bad passed
law, social welfare and pensions,
a large body of laws in the

Mr. Ryan proposed a new con-federation and new constitution commitment on the language After the Supreme Court deci-which would abulish the senate issue. The French Language Charter prevented a choice Bill raising the status of the being made by francophones translation from unofficial to being made by francophones and anglophones who entered Quebec from mid-1977. Mr. Ryan appears to be

making a commitment to free choice of French or English language schooling for children. the status of English at present in the Quebec legislature and institutions. They would become courts. Late last year, the the languages of the courts and Supreme Court of Canada found

Act, both French and English, Provinces would bave jurisdic- are official languages in the Quebec legislature and courts.

and would also control all initial assembly saying that natural resorces. French was the only official language and with an unofficial sion, it had to pass an omnibus official in accordance with the High Court decision. Bill 101 asects francophooes

send their children to the puh-This is a separate issue from licly financed English language school system. Only children of parents educated in English In the English school system.

# Railway spending rise 22%

world is expected to rise to

The German Federal Railways

top the capital investment league table in Europe, with planned expenditure of £1.19bn. The French National Railways

British Rail, which has a

investment in new freight In Europe, à quarter of planned spending is for track modernisation, 10 per cent on

freight wagons. Investment in German Federal

this year, half of it on new lines and new trains. In comparison, investment in London Trans-

China on the creation of a joint manufacturing company in which Japan will bold the majority interest. The company, to be located near Shanghai, will produce compressors for refrigerators.

There remain, bowever, e number of important details to be settled before the joint venture becomes a reality.

China, for example, has yet to establish laws under which

under some pressure recently hecause of the flight into gold. The Labour Department said a 17.7 per cent rise in precious metal jewelry prices was the biggest factor in last month's wholesale Index gain. As this is a discretionary item. for consumers, the Administration regards this as less worrying than price rises in essentials such as food and

now temper their bope for an inflation improvement with moch caution, in view of last year's sorry performance on

#### Wholesale Carter strives to repair fences prices show

small rise By Our Washington Correspondent

THE U.S. Inflation rate at the wholesale level ended last year on a slower tempo, and with the prospect of • mild economic recession. Govern-ment officials believe this imprivement might be sustained in the first half of 1980.

Wholesle prices rose 0.8 smallest monthly increase since last June, the Commerre Department reported yesterday. The wholesale index is an indication of what consumers will shortly pay in shups, thungh it excludes factors such as services. The December increase was

well below the Nuvember 1.3 per cent rise and behind the average 1.1 wholesale monthly increase between July and October. Nevertheless, the wbolesale index rose 12.5 per cent over 1979, the steepest jump since 1974 when old prices tripled. The U.S. inflation rate is a key determinant of the international value of the dollar,

Administration economists

#### political damage to the Presi-dent's re-election bid caused by Senat Senator Edward Kennedy this on Wednesday, the Carter week renewed his somewhat Administration has in addition his partial grain sale embargo week renewed his somewhat Administration has in addition faltering campaign in Iowa, sought to show farmers that which selects its delegates to other sectors of the U.S. Presidential nominating conventions on January 21. on the Soviet Union. Mr. Walter Mondale, the Vicewhich selects its delegates to President, yesterday joined Mr. Presidential nominating conven-Bob Bergland, the Agriculture

is striving, with the Iowa Presi-dential caucuaes now less than out the big grain-dealing com-

BY DAVID BUCHAN IN WASHINGTON

two weeks away, to limit the

in grain sales to the Soviet
Union is being defended as a tough and necessary step. But the offer to buy all the grain which fell on Wednesday when

Secretary, in campaigning in Iowa. The state is part of the farm belt and generally dislikes the use of its food as a political consumers. Senator Kennedy weapon of American displomacy. certainly stands to gain from the The cancellation of 17m tuns fall out of the President's action.

previously contracted to be sold the markets re-opened, pick up

panies and doing little for the to the Soviet Union and tem-

The militant Administration mood towards Moscow has been

evident in a series of retaliatory measures, economic and diplo-matic. Yesterday, the State Department said a round of chemical warfare control talks with the Russians, due to take place this week in Geneva, bad

By also curtailing the sale of sensitive manufactured exports

porarily revoking export licences

Quebec Liberals' language offer

in Quebec, hecause in effect, they cannot exercise a choice to Onebec can continue to attend is expected to reach £3.2bn this

heavy normalists of the control of t

designation in the state of the

in file to the second s

money of the control of the control

the second second

dir fishipa deg

74-12-34 74-34 74-34

ing.

# renews link with Rhodesia

BY BRIDGET BLOOM AND QUENTIN PEEL IN SALISBURY

with the former rebel colony.

The event was quoted by independence. Lord Soames, the Governor, in the Rhodesian economy, when white

The Governor told a meeting alliance. of several hundred businessmen, farmers and industrialists gress made since the Lancaster that Britain was hoping to reach an early agreement with ing the Rhodesian security its partners in the European forces and the guerrilla forces Community on preferential of the Patriotic Front, deploytreatment for Rhodesian ex- ing the Commonwealth monitorports. He also named eight ing force, and assembling countries which wished to open guerrillas, as well as improving offices in Salisbury at an early date, including the U.S., Australia, France, West Germany, At the same time

The British Airways Boeing-747 was the inaugural flight of nessmen to help with the a service which will operate rebabilitation of the thousands twice weekly until April, as a in the armed forces-both stop-over on the London-regular and guerrillas—by Johannesburg route. Thereafter creating more jobs. it will terminate in Salisbury.
From April, Air Zimbabwe
Rhodesia plans to introduce
twice weekly flights to London

by Boeing-707s.
Mr. Ross Stainton, the chairman of British Airways, said he believed there was potential for a rapid increase in services reflecting both courist demand and also comment on the deploy-business interest in Rhodesia— ment of Rhodesian security provided political stability was

Lord Soames underlined common programme for the Rhodesia's economic potential forthcoming elections. Lord Soames underlined

BRITISH AIRWAYS flew into and the wide international in-Rhodesia yesterday for the terest in both trade and investfirst time in almost 14 years, ment in the country. He urged marking a major step in re- his audience to look beyond the opening Britain's trade links immediate problems of the coming election and transition to

His appeal was clearly aimed underlining the prospects for at reassuring the cuntary's largely the Rhodesian economy, when white business community, he appealed yesterday to the which is worried about the prosleaders of the Rhodesian husi- pect of any election victory by ness community to take a longer the Patriotic Front—particularly term view of the country's Mr. Robert Mugabe's Marxistinclined ZANU wing of the

> Lord Soames outlined pro-House agreement, in disengagguerrillas, as well as improving foreign relations and opening

At the same time, he said, Italy, India, Greece and Portu- the problem of reconstruction in rural areas was an "immense challenge," and he urged busi-

In Dar es Salaam: Leaders of three of the front-line states met in Beira, Mozambique yesterday and were expected to sue a joint statement calling on Britain to expel all South African troops from Rhodera The Presidents of Zambia, Mozambique and Tanzania may forces and on the failure of the Patriotic Front to present a

# British Airways | Sadat disappointed by Aswan talks | Afghan claim on

Saudi Arabia ready with basic government

BY ROGER MATTHEWS AND DAVID LENNON IN ASWAN

for the negotiations, the frustrations of President Anwar Sadat of Egypt was made evident here vesterday.

The latest sessions of talks between Mr. Sadat and Mr. Menahem Begin, Israal's Prime Minister, ended without any real progress being made.

Mr. Sadat voiced his disappointment at an airport Press adding with characteristic conference when he said be bad optimism; "but we still bave

e established in Saudi Arabia

within the next two months,

eccording to Crown Prince

Formation of the new institu-

Khaled in 1975 soon after his

BY RICHARD JOHNS, MIDDLE EAST EDITOR

CONSULTATIVE council will the Koran.

EGYPT AND ISRAEL are still to their Ministers who are EGYPT AND ISRAEL are still to their Ministers who are Mr. Sadat said that more Sadat had accepted that normal deeply divided over the question handling the detailed negotiameetings would be needed if the transport between the two countries that the basis and that more sadat had accepted that normal meetings would be needed if the transport between the two countries that the basis and that more sadat had accepted that normal meetings would be needed if the transport between the two countries that the basis and that more sadat had accepted that normal meetings would be needed if the transport between the two countries that the sadat had accepted that normal meetings would be needed if the transport between the two countries that the sadat had accepted that normal meetings would be needed if the transport between the two countries that the sadat had accepted that normal meetings would be needed if the transport between the two countries that the sadat had accepted that normal meetings would be needed if the transport between the two countries that the sadat had accepted that normal meetings would be needed if the transport between the two countries that the sadat had accepted the two countries that the sadat had accepted that normal meetings would be needed if the transport between the two countries that the sadat had accepted that normal meetings would be needed if the transport between the two countries that the sadat had accepted that normal meeting the sadat had accepted the sadat with time beginning to run out that differences between them ment on Palestinian autonomy remained on key issues.

completed four separate meetings since the peace treaty was signed, Egyptian officials are Minister of State for Foreign privately wondering whether Affairs, said on Wednesday that the gulf between the two sides peace with Israel would merely can ever be bridged.

much progress," Mr. Sadat said,

on the occupied West Bank of With the two leaders having the Jordan and in the Gaza Strip was to be met.

Dr. Boutross Gbali, Egypt's be a formal act without real "I would have liked to make substance if some progress could not be shown to the Pales-

As at previous summits it was expected that he could agree four months to agree on autoduring his meeting with Mr. nomy and mr the question of
Begin on directives to be given

four months to agree on autoleft to Mr. Begin to announce
what he claimed as "an important agreement." He said Mr.

Gaza.

as apecified in the peace treaty, and that the two national airlines would begin flights between Cairo and Tel Aviv on the same day. Postal, Telecom-Minister of State for Foreign munications and telephone links

and

would also he established then. Mr. Begin appealed for patience over the Palestinian issue. The fact that autonomy was being negotiated for the Palestinians was a novelty, he said, and that, in itself, should

# worries U.S. THE U.S. State Department hillside and valley for a stretch yesterday reacted with concern of nearly three miles. They

Pakistan border

BY DAVID BUCHAN IN WASHINGTON

to a statement by President had who said on Kabul Radio that no border existed between his country and Pakistan, and the issue remained to be settled.

Afghanistan's lack of acceptince of the Durand line as the border was something that "bad worried the Pakistanis in the past, and must now worry them even more," a State Department official said. The border was drawn up hy the British in the 1890s.

He noted that many previous Afghan governments had taken a belligerent territorial line towards Pakistan, but the issue was now of greater concero because of the presence of Russian troops in Afghanistan.

Reuter adds from Kabul: Several thousand Soviet troops have thrown a cordon of beavy armour around Kabul to protect the Afghan capital from rebels, diplomats said yesterday. The troops have dug them-selves in and positioned their tanks, armoured vebicles, helicopters and anti-aircraft guns. At Karga, southwest of Kabul troops were positioned on the national press club bere.

camouflaged Babrak Karmal of Afgbanistan, armoured vehicles and antiaircraft guns.
The Red Army presence on

the outskirts of Kahul is formidable. Diplomats believe this is because the Soviet troops fear reprisals from Moslem and other rebels. In Islamabad, Moslem guer-

rillas claimed today to have captured the important garrison town of Khost in the Paktia province of Afghanistan bordering Pakistan.

But there was no mention in reports reaching Pakistan from Paktia province that Soviet troops bad been involved in the

fighting there.

Reuter adds from Tokyo: Foreign Minister Saburo Okita dismissed as undesirable any tripartite co-operation hetween Japan, the U.S. and China against Moscow

"Since relaxation of world tension is vital to Japan's existence, it is not desirable for Japan to co-operate in any way with the U.S. and China in the context of confrontation with the Soviet Union because of the on the road to Kaodhar, Soviet Afghan situation," he told the

# S. Africa Ford strike ends

BY BERNARD SIMON IN JOHANNESBURG

THE TWO-MONTH strike by Botha, Mr. Botha had refused 500 black workers at Ford a management ultimatum to South Africa's Cortina assembly plant near Port Elizabeth, bas ended with the company agree-ing to most of the strikers'

Pressure from the U.S. Government and from Ford headquarters in Detrolt is believed . to have contributed to the set-tiement. The U.S. consul-general in Cape Town attended a meeting held yesterday between management and strike leaders to discuss the terms of

Contrary to its earlier stand, black employees, bave said that they are satisfied with the terms workers who were dismissed last year. The dismissals fol-

curb his political activities. One of the points of friction was the workers' claim that the black. United Automobile Workers Union was not able to represent them effectively Although union leaders were also present at yesterday's meeting, negotiations appear to

have been conducted mainly with Mr. Botha and other strike

leaders.
White workers, who had earlier protested against the concessions being made

lowed several days of norest far cost Ford about 1,400 units sparked off hy the sacking of a in lost production, the equivablack civic leader Mr. Thozamile lent of nearly two week's sales.

### Filipino opposition leader given permission to leave

Benigno Aquino, the opposition leader who has been in jail for seven years because of his uncompromising criticism of President Ferdinand Marcos.

1972, and sentenced to death in on conditions for his departure. 1977 on charges of murder, sub- One condition set by Presi-version and illegal possession of dent Marcoa is that Aquino firearms. He said on New Year's should pledge not to criticise Eve that he had been offered a the President and his martial two-year scholarship in Asian law regime while abroad. Studies by Harvard University. However, it is not yet clear whether Mr. Aquino will accept

the offer since many supporters feel be should remain in the country, in custody if necessary, to continue his campaign for an end to martial law and the re-

establishment of civilian rule.

PERMISSION TO leave the Negotiations on the condi-frilippines for the United tions under which Mr. Aquino States has been granted to will be allowed to travel to the U.S. are still going on. Mr. Aquino is reported to be prepared to return to his maximum security cell from which he was released a month ago, if he and Mr. Aquino was imprisoned in President Marcos cannot agree One condition set by Presi

> Political associates attempting to arrange a meeting between the two men to discuss Mr. Aquino's proposa for a transitional government that would eventually replace the martial law administration

# Inter-City. It's the difference between hearing what he says and seeing what he means.

You can't shake hands on the phone

When you meet face to face shake hands and present your case, there may seem to be little difference with what you could have said by letter or telephone.

The difference is far more likely to be in the answer.

Yes.Instead of no.

Often it pays to do business in person and the best way to travel is by Inter-City, the quick, reliable way to go from city centre to city centre.

With Inter-City you are free from the stops, the starts, and the stress of a road

You can prepare for the business of the day in comfort. And freshen up before you arrive.

All without wasting a second. When your business is finished, you can relax on the train home. With much more chance of having something to celebrate than if you had stayed at your desk.



#### **UAE** labour laws threat to immigrant workers

BY KATHLEEN BISHTAWI IN DUBAL

THE United Arab Emirates Council of Ministers (Cabinet) yesterday introduced new labour laws which could lead to thousands of foreign workers facing deportation. In this tiny Gulf oil state, some 80 per cent of the population are immi-

The most important clause in this new package says that employees may not change their jobs or sponsors without leaving the country for a year. This will effectively end the casual labour pool which has existed for some years in the Emirates, which many local contractors relied on for day-to-day labour. In the past, he said, there had The law will also mean that been considerable trade going employers wishing to take on on in visas and the result had extra workers will have to been "another kind of slavery.

recruit from outside the country rather than drawing on existing talents and skills within the

Emirates. Another effect which local observers bave interpreted from the law is that working foreign women will in future bave to be sponsored in the country by their employers, rather than hy their husbands, which was often the case.

Annonucing the measures, Mr. Saif al-Jarwan, the Labour and Social Affairs Minister, said they were aimed at creating psychological stability" for both employers and employees.

### Oil found in Madagascar

AMTANANARIVO—Oil has give details, been discovered in Madagascar The Indian Ocean island has and the country will hecome a recently been suffering from a the announcement in a speech to government officials and the diplomatic corps. He said oil and gas had been discovered very recently, but declined to

net oil exporter by 1985, according to President Didier Ratsiraka. The President made new year message that the 70 per cent increase in the oil price in 1979 was having profound repercussions on

"but only after careful and complete study." He was succession—is to be on the basis of 200 basic provisions "all derived from Islamic legislaspeaking in an interview pubtion," the Saudi heir apparent The provisions would make up a "basic system of govern-Although the Crown Prince ment" but Crown Prince Fahd did not acknowledge the fact, made it clear that they would it seems that completion of the score. not amount to a constitution, basic system may bave been which, in the Saudi scheme, is accelerated by the

The Crown Prince said that seizure last November of the the provisions had been under Great Mosque in Mecca by preparation for a long time in religious fanatics. Crown Prince Fahd has been line with the regime's deter-

mination that they should not brought face to face with the tion-first promised by King be carried out haphazardly problem of involvement in business and bidding for Govern-He was ment tenders by members of erview pub- the Royal Family, Cabinet lished in the first edition of the Ministers and officials. In recent newsletter Focus on Middle years several of bis close East Events, an offshoot of the relatives, particularly his son Beirut magazine Al Hawardess. Prince Mobammed bin Fahd, have been the subject of resentment and criticism

Pointing out that the Royal Family numbered several shock Family

delivered to the regime by the thousand apparent said: "It is not possible that all of them Government employees

> "We cannot prevent those outside the framework Government from practising free trade.

Crown Prince Fabd acknowledged that a new company formed by sons of Cabinet Ministers, some of them under the age of 10, had recently been formed and that its operations might be run by their fathers. He added that the matter was several being dealt with.



# **BL** orders press for Honda project

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

in the UK for the first time hy Mitchell, in agreement with Hydraulic Engineering, has the country's first capability for manufacturing such equipment The order is connected with

The £800.000 contract is the first part of the £105m capital spending to be made by BL on

the new car project involving

The press will he installed at the Pressed Steel Fisher plant enables the company to offer a at Cowley. where the joint BL-full range of equipment. Hooda car, code-oamed Bounty. "We can no longer all is due to go into production next

British equipment when possible. Wilkins and Mitchell

AN ORDER for a large will then he taken to Chester, hydraulic oress has been placed where Hydraulic Engineering will assemble the hydraulics. It BL now that Wilkins and will then go back to the Midlands plant of Wilkins and Mitchell for final assembly.

BL has ordered four further presses for Cowley, two in the UK, which are mechanical presses, and two from Mueller in Germany. Some of the spares and equipment used in constructing the Mueller presses will be supplied from the UK. the Honda project between now Mr. Bill Owen, chairman of and 1985. About £30m is to he spent this year. Wilkins and Mitchell, said yesterday that the agreement

with Hydraulic Engineering

We can no longer allow the growing investment in bydraulic resses to slip into our over-The order, woo agaiost com- seas competitors' hands. We are petition from West Germany, already looking at other pos-fits in with BL's policy of huying sible cootracts from the UK and

The BL order is expected to will fahricate the press, which be completed by autumn.

# **Block grants system** attacked by councils

BY ANDREW TAYLOR

MEASURES which will give

"totally opposed" to a block rate levels for authorities. grant system of subsidies to grant system of subsidies to If councils seek to spend local authorities. This will allow above the set limit the Governthe Government to penalise meet will be able to reduce its those councils which seek to share of the bill proprotionately.

speod above set limits. Mr. Ian McCallam, the assotional freedoms Decision making at local levels would he measures wou substituted by Whitehall con-consequences

The measures are included in government greater the Local Government Planning over local authority and Land Bill, under which the spending have been strongly Government will assess how criticised by the Association of much it believes each local District Councils, which repares to more than 300 local authorities in England and Wales.

The association are the same time it will contact the same time it will contact the same time in the same time. The association says It is it will set standard approved

Mr. McCallam accepted that clation's chairman, says in a central government should be letter to the Prime Minister and able to influence "the totality Mr. Micbael Heseltine that the of local authority spending," hut measures are a fareat to tradi- this could be achieved under the present grant system. The new measures would have serious consequences for local

#### Owen sees centre swing if Left seizes Labour

BY PHILIP RAWSTORNE

DR. DAVID OWEN, former DR. DAVID OWEN, former
Foreign Secretary, warned last
night that many Lahour voters

Dr. Owen, speaking at a meeting of the Campaign for Lahour
Victory—the broad Labour would desert to a new centre alliance opposing the Left's hid

to be as disastrous as many Party. fear and the Labour Party is lacking in public appeal, then there is a real possibility of the emergence of a strong third party." he said in Newcastleupon-Tyne.

Dr. Owen reaffirmed that be would not identify himself with the sort of new political alliance of the centre suggested by Mr. Roy Jenkins.

But that does not stem from a helief that it would have no chance of temporarily succeed-

party If the Left gained control for control—urged democratic of the Lahour Party.

"If this Government proves their policies in the Labour

"It will be no easy task," be said. "A power struggla is inevitable." . But oppositioo to Lahour's Left-wing National executive was coming from a wide spread of opinion, even from some parts of the Left. It was a "travesty of language" to portray all those opposed to the NEC's views and actions as Right-wing.

Dr. Owen said: "We must not be afraid to challenge openly ing. I believe it could well take authoritarianism dogma, or the off electorally over the next few threat posed by the elitism of

#### Cut in allowances after **Euro-MPs** reject budget

BY PHILIP RAWSTORNE

ALLOWANCES FOR Euro-MPs quaestor's a committee of have been cut as a result of the Euro-MPs in charge of internal European Parliament's rejection last month of the EEC'a draft budget

parliamentary sessions in Strasbourg will now draw a travel subsistence allowance of £350 instead of £500.

The £13,000-a-year secretarial and research allowance is to he continued, but the £6,000-a-year

the rejection of the draft hudget British members attending has restricted the Parliament's own funds to a twelfth of last year's appropriation per month. This limit will remain in force until the new hudget is agreed.

Mr. James Scott-Hopkins, leader of the British Conservpayment for office expenses bas a tives at Strasbourg, said he had heen suspended. Political group heard no complaints about the funds are also being restricted. cuts: "We helieve it is a price the cuts have been ordered worth paying to bring some by the European Parliament's sanity into the EEC's hudget."

In production capacity of its particular radio paging receiver line madog, which presently stops because of rapidly growing one and a half miles sbort of demand. In the past nina months orders rose 55 per cent.

Gwynedd is to contribute

# Moscow bank in **Swansea** £4m loan

MOSCOW NARODNY Bank, the Soviet-owned bank based in London, is providing £2m of a £4m syndicated loan arranged by Kleinwort Benson, the merchant bank, for Swansea City Council.

Kleinwort Benson's share of the loan is £1m, with £500,000 each from Malayan Bank, London, and Banco Español, Lon-

The loan was arranged io November and taken np in two tranches last month at a rate understood to be 1 per cent more than six-month Libor.

Moscow Narodny's involve-ment in local government loans

Mr. J. M. Butler Swansea's treasurer, said the loan would be used to finance capital projects, mainly part of the authority's £5m housing programme. When it was arranged there was no reason to feel uneasy about it, although it was now

attracting comment because of the Soviet invasion of Afghanistan. One City hanker expressed surprise at the linking of Klein-wort Benson with Moscow Narodny in such a loan. Another said too much significance

Afghanistan with regard to pre-viously arranged loans. It was a question of what money was available at wbat rates. When Swansea's loan was negotiated, several other loans involving the East bloc were

should not be read into the

present Russian involvement in

being arranged. We have all been involved and we cannot be too critical now. Nevertheless, the partners in this particular loan are unusual."

#### **Brewers** opposed to 'curb tax'

THE BREWERS' Society yesterday rejected suggestions that the duty on alcohol should he increased as a measure to curb drink abuse.

Sir Derrick Holden-Brown, chairman of the society, sald that if the Chancellor of the Exchequer intended to raise duty on drink in his next Budget, "it should be clearly presented as a fiscal measure,

He said that Britain's 391m "sensible" drinkers would be unjustly penalised to no good

If all alcohol consumption was expressed in terms of beer he said, then each adult in the UK is drinking only the equivalent of ona pint a day.

Meat firm inquiry. THE City Fraud Squad has been called in over the collapse of a small Smithfield meat trsder, Gilmore and Partners, which has been put into voluntary liqui dation. Pre-tax losses for the

last financial year amounted to £1.5m and the likely deficit is Liquid gold theft THIEVES took 56 litres of gold plating solution worth £8,400 from a factory in Letchworth, Hertfordshire, yesterday. Its gold salt crystal content can be

extracted by electrolysis. 'No plutonium risk' THE nuclear plant at Windscale, the county scientific consultant of putting the public at risk

through an escape of plutonium effluent in September. BR oil agreement

BRITISH RAIL bas reached agreement with a private oil company, Sunclex, for marketing a BR oil recycling process which may save industry np to £10m a year by the end of 1981. The process is designed specifically for recycling diesel luhricating oil. British Rail said about a tenth of the 1.02m tons

Britain each year could be recycled. Bleeper boom MULTITONE Electric, the communications company based at Marham, Norfolk, is to double the production capacity of its

of lubricating oil used in

# Commercial vehicle output increases as cars decline

BY JOHN GRIFFITHS

UK OUTPUT of both cars and ket by imports—including those But car output for the year overall fell by a further 156,000 to 1,067,000 compared with 1978 and is far below the peak of 1,921,311 recorded in I972.

cial vehicle production up by 25,000 over the year to 409,000, the best figure for five years. Seasonally adjusted, car production for December was 89,000, 5,000 more than in November. The 33,400 commercial

vehicles produced represented

a rise of 1,000 over the same

The further fall in car outing penetration of the UK mar- this year.

commercial vehicles continued from the Continental plants of to increase slowly in December. companies such as Ford and Vauxhall-wbose market share rose last year to 56.28 per cent from 49.32 per cent a year earlier. Strikes, notably the engineering dispute in Septem-However, provisional esti-mates released by the Depart-ment of Industry show commer-adversely affected output.

Despite the rise in commercial vehicle output, British manufacturers are still failing to take full advantage of a buoyant bome market. Sales in the UK were up 17.3 per cent 1978. Nevertheless, UK on manufacturers have not suffered anywhere near the inroads made by imports in the cars sector. put, despite a record year for Importers' shares of the comsales which saw over 1.7m cars mercial market rose from 21.7 purchased, reflects the increas- per cent in 1978 to 23 per cent

## International gap 'likely to grow'

BY MAURICE SAMUELSON

WITH the gap between industri- ant terms than over the past alised nations and the Third few years. World likely to grow rather than shrink, there is now no chance of creating a new international economic order, says Professor Ralf Dahrendorf, director of the London School of Economics and Political

The most dangerous develop-ment of th epast decade was that too many countries were turning away from their international responsibilities and becoming more parochial and protectionist, he said in a lecture at the Israel Emhassy in

Questioning the strength and stability of the West, he said the Soviet invasion of Afghanistan may have come "just in time." European countries would now discuss their contribution to NATO in less reluct-

The West bad reached a turning point and opportunities for economic growth would not be the same in the next decade as between 1948 and 1973. There was a feeling that "the party is over.

The quest for social equality was losing its paramount importance and there was a growing belief that policies geared to greater equality might increase frustrations rather than allay them.

Altough Britain would suffer from the economic restraints of the next decade, Professor Dahrendorf believed that its peculiar strengths" enable it to surmount them more easily than other European countries which seemed economically stronger, were in fact politically more

#### Official surveyor against slagheaps on farms BUILDING HUGE dirt tips on The Ministry of Agriculture

and not with muddled argu-farmland in north-east Leicester- bad three main reasons for ments about curhing drink shire as part of the National objecting to Coal Board protravene Government policy, an official of the Ministry of Agriculture told the Belvoir

Inquiry yesterday.

Mr. John Craig, the Ministry's Midlands, sald it was Govern-ment policy for protection of agricultural land "to ensure that as far as possible land of bigher agricultural quality was not taken for development where land of lower quality was

Coal Board's proposed mining posals for on-site tipping: The venture in the area might con- area was mostly good-quality area was mostly good-quality agricultural land land of lower quality was available at the Bedfordshire claypits; and even if the NCB restored tips to full agricultural ose there would principal surveyor for the East still be a loss of agricultural

Mr. Craig said that agricultural land lost in 50 years of on-site tipping would be more than 550 hectares.

The inquiry at Stoke Rochford, near Grantham, continues.

#### **Extradition of consultant** sought by Australia

BY JOHN MOORE

MR. JAMES HOWEY, a con- warrant of arrest pending before Bow Street Magistrates Court by a warrant issued under the Fugitiva Offenders Act. Tha Australian Government is seeking an order to extradite Mr. Howey to face charges in the Australian courts.

The warrant, issued on has he Wednesday, is a provisional Surrey.

sultant and an insurance receipt of a formal request for specialist, has been brought extradition by the Australian Mr. Howey is accused in Australia of falsifying a docu-ment in Sydney in 1975.

Mr. Howey, 38, who was arrested by the police extradition squad, has been granted conditional bail of £20,000. He has been living in Horley,

#### £1.2m facelift for slate town

the North Wales alate mining town, has been announced by Gwynedd County Conneil.

Centrepiece of the project is a new £350,000 central railway £100,000 facelift for Blaenau's station for Blaenao Ffestiniog, linking British Rail's Conwy Valley line from Llandudno junction and the privately owned Ffestiniog narrow gauge railway from Priyee Porth-

A £1.2M scheme to revive the fortunes of Blaenau Ffestiniog, the link which, it envisages, will attract an extra 400,000 tourists to the town and create 175 new

The scheme includes shipping centre, the hullding of craft workshops, two new bridges and some land reclama-

Most of the cost is being met by grants from the Weisb Office Urhan Programme, the Weish Development Agency. Development Board for Rural

Trade union reaction included,

that from Mr. John Lyons,

Engineers' and Managers' Asso-

general secretary of

# Joseph likely to face big lobby at Birmingham

SIR KE!TH JOSEPH, Industry Secretary, is expected to face a strong lobby of striking steel workers when he visits Birmingham today for talks with regional TUC and CBI officials.

The Iron and Steel Trades Confederation said vesterday it had sent letters to all local strike committees telling them not to picket manufacturing plants which are ont involved in the dispute.

Pickets were outside Metal Box's Neath, South Wales, factory again vesterday but the company's other factories unaffectol. Union officials representing the Neath workforce met the steelworkers' strike committee but could not get the picketing, which threatens to shut the factory in about 10 days,

Four more pickets will appear in court in Sheffield today following arrests yester-day outside Hadfield's, a



private steelworks in the city. There have been 12 arrests there so far this week. Elsewhere in Sheffield Alloy Steel Rods will shut down today, with about 100 workers laid off, because of

picket action. In Rotherham, C. Reberts and Co., a steel stockholder, tald 100 of its workforce that they will be laid off today unless picketing is eased. Mr. Jehn Stafford, a director of the British Iron and Steel Consumer Council, warned that if secondary picketing of

private steel firms which were not involved in the dispute did not stop jobs could be lost

Picketing was eased yester-day at Ductile Steel, Willen-hall, West Midlands, and Aipha steelworks, Newport, Gwent, following the establishment of joint inspection teams to ensure that the companies were not using British Steel Corporation material. The management had warned that the plant would be closed within a week utiless

# Unions' output estimates too optimistic, say BSC officials

SENIOR British Steel Corporation officials protested yesterday sons of productivity between that estimates quoted by the national steel industries, they that estimates quoted by the trade unions of productivity in steelmaking were misleadingly optimistie.

Dr. David Grieves, the personnel director, said the national wage increase must be settled by agreement to change working practices and improve "towards interproductivity national standards."

Mr. Bob Scholey, chief executive and deputy chairman of BSC, said that the 12 per cont "virtually guaranteed" hy BSC before the negotiations broke down would cost it £100m a year. That money could be found only by the workers showing a greater commitment

Estimates by the Iron and Steel Trades Confederation that BSc workers produced 192 tonnes a man-year, while West German steelworkers produced private and public, required 200, were firmly denied by Dr. 11.7 hours to make one tonne,

to raised productivity.

The most reliable compari- West Germany. said, were the ECSC Eurostat

ancilliary services such as cokemaking sales and marketing, and catering. Dr. Grieves estimated that

even after allowance was made for those differences, BSC productivity would he raised only National Economic Development Office working party figures were quoted by BSC to

make the point that its productivity was very low.
The NEDO sector working party progress report last year said the British steel industry,

Asked why steel productivity was so low in Britain, Mr. Scholey said: "The systems of figures which showed that in tradition and union rules and 1979 BSC made 141 tonnes a demarcations are the reot

man-year against 180 by France causes.

The BSC officials agreed that comparisons could to some level to make the changes which comparisons could to some level to make the changes which extent be distorted by inclu- are needed. But national agreesion in BSC's work force of ments alone have been ineffec-

• Robin Reeves, Welsh Corres pondent, writes: A warning that the steel strike might lead to even greater cuts and job losses in the Welsh steel industry was given yesterday by Mr. Peter Allen, managing director of BSC Welsh Division.

He said that one result of a prolonged stoppage might be shedding of more than the 11,000 to 15,000 jobs already proposed for Port Talbot and Llanwern in BSC's pre Christmas retrenchment proposals. Mr. Ailen put cost of the strike in the Welsh division at

# Shortages will hit shipyards

BY WILLIAM HALL, SHIPPING CORRESPONDENT

BRITISH SHIPYARDS will gency support vessel bas been start to suffer from shortages of virtually finished and the yard Richardson, chairman steel within the next week or does not expect to need any Vickers Shipbullding two but it will probably be some more steel for up to 14 weeks. months before workers have to be laid off.

The country's shipyards use around a quarter of a million tons of steel a year and suppliers of components, such as anchors and chains, also use a considerable amount, At the moment, the hig naval shipyards, such as Vickers, Yarrow and Vosper Thoraey-

croft, have enough steel on hand for np to six months but the stock position at some of the yards which are just about to start work on new ships is more serious. The situation varies widely from yard to yard. Mr. Derek Kimber, chairman of Austin and Pickersgill, one

of the most successful yards, said yesterday that they were not in "dire straits" but they could be in trouble in a week or two. Last month the yard won orders for nine ships. In Scotland; Govan Ship-builders took delivery of 5,000 tons of steel just before Christ-

mas and workers have just started cutting steel for the two 26,000 ton bulk carriers on order. The yard has enough steel on hand to build half the ships.

At Lithgows, on the Lower

Merseyside. Cammell Laird has not bad any new orders for some time, the steel strike is not expected to have any real impact for another two to three months. All the steel work on the two merchant sbips being built bas been completed. Roughly 85 per cent of the steel for two guided

delivered. In the North East, Smith'a Dock has all the steel it needs for its current order hook. In Devon, Appledore Shipbuilders is understood to bave enough steel for another four to five weeks.

missile destroyers has heen

The steel strike is not exmost of the steel (much of it specialised) is ordered many

months in advance Mr. W. Vosper Thorneycroft, said yes-terday that if the strike was prolonged "it would start to hit us in six months."

While the immediate impact of the steel strike on British Shipbuilders is somewhat limited, over the longer term it could do serious damage to the industry. Delays in steel may foreigners placing orders in the

Should the strike be prolonged it could undermine British Shipbuilders' attempts to make ship-British, Shipbuilders lost £56m in 1978-79 and could lose up to £100m in the current year. Clelands, one of the small pected to have an immediate shipyards on the Tyne, has won impact on Britain's warship an order for a 3,880-ton hulk building programme because carrier from Stephenson Clarke Shipping. The ship is due to

#### Production hit before stoppage

A WEEK'S steel production was

than November's. It averaged lost by the private and public sectors before the strike because

However, axceptionally high of the Christmas holiday, Roy quantities of steel wera moved out of British Steel works in Total UK production last the first three weeks of Decem-

# West Midlands strikers face planning problems

BY NICK GARNETT, LABOUR STAR

LEARNING how to strike has not been easy for the West when Steel Trades Confederation. From the union's Midlands

office over a post office and fishmonger's shop in the suburb of Mere Green, Sutton Coldfield, national officials have been grappling with the realities of a national strike for which they bave had no experience. .. . It took a week to instal a

picket co-ordinator, and officials are still trying to cope with the problem of which companies to picket and who should do the picketing. There are signs, however, that the union is successfully tackl-

ing some of these difficulties through organisation, bardening attitudes, and what appears to be the exceptional enthusiasm The unioo viewpoint is that there is still far too moch steel these, only about 500 nave musunderstandings with stockmoving about although some shown a willingness to turn up holding companies and other preparation work was done for regular picket duty. Repeted unions.

before the strike. White collar inforcements from the North They say it would also be a staff bad collated a wad of inforcements from the strike these, only about 500 nave misunderstandings with stockmoving about 500 nave misunderstandings with stockmoving into the strike most formation about although some shown a willingness to turn up holding companies and other unions.

They say it would also be a crucial factor in forcing the formation about BSC customers beginning of next well. there is still far too moch steel

stockholders Midlands area of the Iron and attempting to expand their intake in preparation for the dispute. Much of this extra loading was halted. Union officials say they can

identify within an hour sources of steel and this has allowed pickets, in a number of cases, to halt steel which has been relabelled with private sector The union's West Midlands areas, however, started off with

particular disadvantage. there is a vast number of stockholders which it believes should be picketed, but very few steel workers to do the joh. There are only about 2,000 like the West Midlands.

They also warned loaders joh of jicket co-ordinator for were the West Midlands area yester-

There was, and still is, a problem about using pickets to cover as many plants as pos-sible, although Mr. Roy Bishop. the divisional officer, says it has been necessary to blanket picket some companies to stop cowhoy" hauliers from mov-

Two daya ago the union was picketing only 26 of the estimated 500 stockholding plants in\_the area. In terms of winning the strike, the biggest problem is the moderation of union officials and strikers in areas

ISTC mebers, including office Pickets say it would be staff, in the area, excluding easier to organise the strike if Corby, which is operating there was an instruction to stop largely separately during the all steel movements. That duration of the dispute, Of would prevent some of the

Mr. Brian Toland, a 28-year—from developing into what most

the engineeriog profession bas produced a variety of reactions tion in the profession by itself Engineers calls on the Govern- educational changes, particutions, whose future would be radically changed if the Government implemented the report's recommendations.

PUBLICATION of the long-

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

The Council of Engineering Institutions, whose registration hy an Engineering Authority if such a body were set up, tions, the Institution of Elec-thinks the benefits to industry trical Engineers, the Institution that the authority plan is claimed by the report would be of Mechanical Engineers and acceptable only if it is seen as

The present system of regulaand its Engineers' Registration Board in conjunction with engineering institutions, is cap-

the hroad objectives in the report, it says. The Engineering Authority functions would be taken over proposal is supported by the three most powerful institu-

achieved more quickly "bythe Institution of Civil En- an instrument of the profession awaited Finniston Report into evolution rather than revolu- gineers, with varying degrees and not of the Government. of enthusiasm. The Institution of Electrical concern about the proposed

Mixed reception for Finniston report

ment to take prompt action to larly cost of implementation and put it into effect, and "particu- time required to rearrange the larly welcomes the proposed system able of development to meet distinction between courses for the intellectually and the practically inclined engineering students." It regrets that the report did not propose statutory The Mechanical Engineers say

The Civil Engineers express

about the proposed statute. and Radio Engineers, while supporting the plan expresses concern that the institutions as such will not he represented.

ciation, who welcomed the report. He said that it could lead to a transformation in the standing of the British engineer.
Mr. Ken Gill, general secre-The Institution of Chemical ingineers welcomes it, as long tary of TASS, the wbite-collar section of the Amalgamated bout the proposed statute.

The Institution of Electronic said the report "failed to deal Engineers welcomes it, as long as the institutions are consulted

adequately with the crucial question of engineers inadequate salaries and lack of rational salary structure."

orders to the private sector.

old convenor, only hegan the see as a very long hattle.

# Technology take-up slow, says NEDO

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

BRITISH INDUSTRY is criticised today by the National the for not making sufficient use of advanced technologies to im-prove manufacturing efficiency.

The machine tool and office lines on employment and other equipment industries are picked matters for companies introout for special blame by NEDO. which says that the take-up of new technologies in the UK remains sluggish compared with overseas competitors,

eel tirms which we were in the dispute to the could be

using British to material in meanagement

management }

within a rectal

A TO Steel protection in Britan.
The Francisco.
The

no basi a m . But parouelt

Regres, Welsh &

torites: A semi-

. P.O. 57 54: 105005.

Commercy by 12 to

. প: Taba কা

STADISTI

ras

Countries such as France, Sweden, Germany, the U.S., Japan and some newly indus-tralising countries have a better record than the UK. British pregress is hampered by a lack of confidence in rapid and sustained growth of demand and by relatively immobile labour

More action is needed by Government and individual industries to spread knowledge about new technologies and to remove fears of change which produce inertia. More skilled personnel and increased investment are also needed.

NEDO's views are based on a report of work done hy 40 of its sector working parties and economic development committees. These groups studied last year adoption of high technology in their areas of

The report was presented to office systems. Economic Development Office Development Council meeting National on Wednesday, when it was agreed that the CBI and TUC would talk about joint guideducing new technology.

There is a high general level of awareness of the contribu-tion advanced technologies can make to improving manufacturing efficiency and to enhancing the value and capability of products," says the report.

By contrast with competitors, however, the actual take-np hy industry remains aluggish, not least in key sectors such as machine tools and office equipment, on which other sectors depend for the efficiency of their own operations."

The committees and working parties believe that this is partly because potential users have insufficient knowledge and understanding of specific applications. This is compounded by "general fears about implications of technological change which leads to inertia.".

There are also important technological gaps in the hardware and software offered by UK suppliers of, for example, control systems, sensors, transducers, micro- and mini-computers and

NEDO says that there is also insufficient integration of of electronics and other information technology, and the makers of manufacturing plant and equipment. Skilled personoel are also in short supply. Both the suppliers and users

of advanced technologies are finding that the "current econo-mic climete adda to the difficulties of getting change accepted, and to the constraints on capital and research and development funding on what is a capitalintensive and high-risk field." This has led the working

parties and committees to call for the Government to play a and development work-a point also made earlier this week hy tha report from the Advisory Council for Applied Research and Development.

Among other specific recommendations put forward by NEDO is a suggestion that the Government's awareness programme should he developed for individual sectors and that the Government should ensure its procurement policies and regulations promote innovation. It is also suggested that small firms should be helped with a bank loan guarantae scheme.

# **British Aerospace** plans £100m civil aircraft investment

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

spend more thao £100m this year on investment in its four major civit aircraft programmes, bringing total investment in them by the end of this year to about £260m. The cash will be largely found from BA's

The four programmes are the BA-146 four-engine feeder-liner, the Jetatream 31, "commuter-liner," and the two European Airbuses-the 250-seater A-300

Aircraft Group had speci about £150m on these four pro-grammes. About £69m went on the BA 146. About £59m went

rapidly to about £50m. Much of this is already being reimbursed by deposits on sales and through

required in all four programmes in 1981 and 1982. It is on these aircraft that the civil side of the BAE's Aircraft Group is setting its long-term sights. Substantial investment now is intended to reap major rewards in the late-1980s and early-

The original investment fore-

No orders have been woo for tha 146, although BAC remains

The cash inputs to the four programmes, and especially for the 146. Include mooey for jigs and tools which are always a heavy item in the early de-

# Only four ships on order at Harland and Wolff

HARLAND AND WOLFF

Ships launched 1969-79

was of no real concern to Fur-

case of British Rail's Sealink.

the delays in the delivery of the

new ferries have put the com-

highly competitiva cross chan-

June 1980 at the earliest -

several mooths behind schedule.

Tha second cross channel farry

will not be in service until late

Sealink's new ferry.

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE AMOUNT of new shipping tonnage launched by Harland and Wolff in 1979 was the lowest for the last decade. Four ships were launched during the year, totalling 117,520 gross registered tons.

Apart from a few ships that are being fitted out, the Belfast shipyard'a order book is now down to just four ships—two LPG carriers and two British Rail car ferries. These should be completed by 1981 and the yard badly oeeds oew orders if it is not to start laying off its 7,300 workforce.

So far the yard, which can build ships of up to 1,000,000 dwt, has not participated in the upturn in new shipbuilding ordars. One of its main problems is that as a result of the shipping slump it has been forced to switch from building giant ships to smaller but more complax vessels, such as ferries and gas carriers. Consequently, most of Harland and Wolff's recent contracts have been running hadly behind schedule since the shipyard has to relaarn how to huild these types of

1980. Meanwhile, the delivery In 1974, Furness Withy ordered to 66,000 dwt products tankers. These were originally due for delivery in 1978 but the of the Gatloway Princess, which was supposed to start operating company took delivery in the

liquefied petroleum gas carriers, which are being huilt to transport LPG from Shell's Brent Field in the North Sea to the U.S., were originally supposed to be delivered in April 1980 and December 1980. However, they are now running ahout one year hehind schedule and are not due for delivery until 1981.

These are the first gaa carriers to be built in the UK for many years and at the time they were the most advaoced to the world. When the order was announced in April 1977, the then Northern Ireland Secretary, Mr. Roy Mason, said: " It is not too much to say that a spectacular success with these two LPGs could have a profound effect on the future of Harland and Wolff, whereas failure on either specification or delivery date, could spell ruin for the company."

One of the reasons given for tha slippage in delivery dates is that the Mossmorran project in Anselm, will not be ready until LPGs were being built — has been bedevilled by planning objections and is far from ready for the new gas ships.

> However, short term charter trebled to \$600,000 per month over the past year and if the shipa had been available they

### **Post Office sells** Prestel to U.S.

MORE THAN 20 U.S. corporations are to use Prestel, the computer information system developed by the British Post Office, under contracts to be signed today with Insac Viewdata, a subsidiary of the National Enterprise Board

Insac offers the service in the U.S. in conjunction with the U.S. telecommunications company, General Telephone, and Electronics. It says that each of the corporations will instal no to five computer terminals connected via GTE's Telenet communications link to the GTE computer centre in Florida, which operates the viewdata

Companies signing contracts include the Chase Manhattan Bank, J. Walter Thompson publishers McGraw Hill and Time and Merrill Lynch, Pierce, Fenner-and Smith:

ducts, the umbrella company for two Insac subsidiaries, hecause he thought the company had made little progress in its two

years of existence. In November, Insac's opera-tions were split in two. Since then Insac Viewdata (IVL) has handled the extensive viewdata activities while Insac Products (IPL) remains 2 marketing organisation and funding body for several British software companies. These include Computer Analysis and Programmers, Systems Designers, Systems Programming, Systime

Insac Products' Board comprises representatives of the five associated companies. Mr. Taylor is managing director of

Logica. IVL hopes that many early insers of viewdata in the U.S. will eventually want their own The signing of the U.S. con- nrivate systems. It says that tracts comes less than a month perotiations for the supply of a after Mr. Len Taylor resigned private system have already

# Maxplan Home Insurance. The policy that won't blind you with jargon.



At General Accident, we believe the most important thing about insurance is knowing exactly what you are covered for

That's why we've developed Maxplan as the first home insurance policy written in plain English for easy understanding.

A helpful commentary guides you step by step through the policy.

You also receive a new schedule every year. This is simply to remind you of the renewal date, exactly what you are covered for and for how much.

So it's easy to see why Maxplan is the best home insurance you can get.

Maxplan offers the widest cover.

For example, you're covered if you upset a tin of paint on your carpet, break your favourite ornament or lose a piece of jewellery.

And even if you were held liable for something you'd never dream could happen, you are covered for up to 1/2 a million pounds. For example, if as a pedestrian you are held responsible for a serious road accident.

With Maxplan you always know where you stand.

Isn't that what insurance should be all about?

For more information, contact your insurance broker, agent or local General Accident office.

General Accident

Honestly. It's the best policy.

### New mortgage scheme for small businesses

A NEW source of finance is repayment amounts. hers of the National Federation. The rest of the funds will be of Self-Employed and Small Businesses. This comes from a new pension fund's acheme set up by the Federation with City of Westminster Assurance. The scheme will make available up to half its funds to members io the form of small commercial mortgages on property.

Individual advances of £10,000-£25,000 will be made, limited to two-thirds of the valuation of the property. The repayment terms would be up to 20 years. Borrowers would have

being made available to mem facility would only be available invested by City of Westminster

> Mr. David Dexter, vice-chair-man of the federation, said for some time small husiness had been investing money set aside for pensions in big busioess through the investments made by the life companies which

held those pension monies. Under this scheme the funds generated would support small business through commercial 20 years. Borrowers would have mortgages, filling a market left tha choice of paying fixed or by the current lending policies variable rates of interest and of banks and building societies.

# new chief for Co-op

BY DAYID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

Sir Arthur Sugden, the come from outside the co-opera-present chief executive, is to tive movement. The society retire on his 62nd birthday next seeks the widest possible September.

Tha CWS Board has also
Tha Co-Ops anter the 1980s
appointed a new chairman after, with a trading performance that has suffered from the High
Street price wars of the past selection of a new chief.

Street price wars of the past few years. Latest figures for the total market share of the 200 or 6.8 per cent of trade, compared with 7.1 per cent in the

#### GLC widens lorry park plan

scheme in an attempt to get private companies to invest

The GLC said yesterday that it had failed so far to attract commercial backing for the lorry park. It wants ten strategic

orry parks eventually. It is prepared to fund a The East End site, it said, £500,000 access road to a ninelorry parks eventually. might be developed to include "transhipment" depots bonded warehouses and small engineer-

The depots provide for loads drivers,

THE GREATER London Council from the heaviest lorries to be which wants to go ahead with split for final delivery in Centre capital's first "strategic utal London. Hauliers are vigorously lorry park," in to widen the Hauliers are vigorously

The GLC has reached pre liminary agreement for the proposed lorry park with the London borough of Newham.

BRITISH AEROSPACE plans to on the new A-310 will build up deliveries of A-300s. internal:resources.

and the 200-sear A-310-for which it huilds the wings. By the eod of last year BA's

on the A-300.
In the coming year the 146 Airbus programmes will take the higgest share of investment as work on them

The higgest additional invest-ment, amounting to about £63m, will be made in the 146, as production. Eventual investment in the 146 is expected to total about £230m by the end of 1982. By tha end of this year total UK spending on the A-300 Air-bus is expected to be about £71m ogainst nearly £60m at the end of last year. Spending ials which have been ordered.

Further investment will be

casts may have to be revised upwards, however, hecause of inflation and expanding order books—especially for the A-300 and A-310. Demand for them grew dramatically last year and many new orders are uoder

confident that current oegotiations will geoerate cootracts

velopment of any aircraft BAC must also pay for substantial quantities of loog-dated mater-

in the spring of 1979, is running about nine months late and will summer and autumn of 1979. As ool be ready until next month. the shipping markat was depressed at the time tha delay The two 59,000 cubic metre

nel routes.

Consultants to recruit

THE Co-Operative Wholesale have not yet been appointed. Society has decided to employ The decision to employ them recrultment specialists in its does not mean that the new search for a new chief executive. chief executive will necessarily

Farrow last month for health reasons. He is Mr. Peter Paxton. aged 56, who has worked for the Cambridge and District Co so retail societies gives them Operative Society for the past

The recruitment consultants mid-1970s.

Hauliers are vigorously opposed to transhipment because of the increased handling

acre site at Beckton. Newham would have to find money to develop the site, including a 150-bed hostel for

# Moving over to multi-column

BY ARNOLD KRANSDORFF

BRITISH COMPANIES may eventually change their current accounting format to a multicolumn reporting system in line with the practice now starting in the U.S. The columns would include figures on historic cost, price adjusted and current

This was forecast yesterday by Mr. Tnm Watts, chairman of the Accounting Standards Committee, in an address to a Financial Times conference in London on problems in account-

Mr. Watts, who is also a senior partner in Price Waterhouse, said a number of hig American companies had made the change as a result of the Financial Accounting Standards Board's receot standard on inflatioo accounting.

He also said the view could no longer he taken that accounts were produced in the UK solely for shareholders, Other power hases were operating and able to influence company practice.

for depreciation in times of inflation were highlighted by Mr. Ian Leeson, a partner in pany practice.

cial director of Unilever, warned that rigid standardisacould undermine true comparability. "I believe we are now

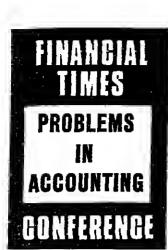
Companies dissimilar in cir- ing in an inflationary period. cumstances, assets, history, become comparable if they were compelled to follow the same eccounting methods.

pany, told delegates that of the corporate sector, alternatives being discussed for "I fail to see b tice for goodwill, the ndds now

and the EEC,
Mr. Ketth Percy. a partner in stockhrokers Phillips and Drew, spoke of the pressing need for a new accounting standard to calcillate earnings per share The present two accounting recommendations—SSAP15 on deferred tax and ED24 on current cost accounting—were "utterly confusing" in the calculation of EPS.

The lncreasing regard paid figures were first collected in to inflation accounting over the past 10 years, as inflation had accelerated, had undermined confidence published profits and therefore

in earnings per share.



measurement of the extent to which the dividend per share can he increased, while leaving "real" retentions at nil. P/E ratios give the investor an important yardstick for comparing companies, not just in

the UK hut worldwide." The problems of accounting

Mr. R. W. Archer, commer- Ernst and Whinney.

al director of Unilever, He said the main difficulty
arned that rigid standardisa- was calculating the right life tion of accounting practices span for each asset-or at least making a reasonable guess.

Management he suspected, at the stage where standard erred knowingly on the side of setting has to be handled with prudence to counteract the proplems of historical cost account

Mr. Michael Lafferty, Banking policies and markets did not Correspondent of the Financial Times, criticised the privileged accounting practices of hanks, insurance companies, and those Mr. Raymond Hinton, partner of pension funds, trade unions in Arthur Andersen and Com- and local authorities in the non-

"I fail to see bow society can a standardised accounting prac- justify a system in which incorporated sweet shops have to pubseemed clearly in favour of lish detailed accounts while amortisation. This was a subject pension funds and other highly vexing the Government, the ASC significant economic entitles are

# in Britain

DURING APRIL to June more people settled in the UK than left-the first time this bas happened since the June quarterly

The Office of Population, Censuses and Surveys said 43,500 people came to live in Britain while 38,000 left, a "net inflow" of 5,500. During the same period For the investor and the in 1978 there were 34,800 immicompany, current cost earnings grants and 37,900 emigrants, a per share give an immediate "net outflow" of 3,100.

#### Bank staff want pay differentials restored

By Gareth Griffiths, Labour Staff THE STAFF associations of three clearing banks will meet next week to draw up a pay claim for their more than 90.000 members which is expected to place strong emphasis on the need to restore differentials.

Negotiators from the staff ssociations of Lloyds, National Westminster and Barclays have arranged a joint meeting on Thursday. The Lloyds associa tion negotiators bave already met, as will the other two executive councils before the joint

Mr. John Bealey, general secretary of the Lloyds Bank Group Staff Association and secretary to the associations' joint steering committee, said yesterday their claim would stress differentials much more strongly than the 25 per cent claim tabled by the Banking Insurance and Finance Union on Wednesday. The two claims would not, therefore, be similar.

The associations are expecting a letter from the Federation of Bank Employers hefore they draw up the claim which will call for central negotiations with

the staff associations and BIFU. Mr. Leif Mills, BIFU's general secretary, however, bas sald his union will not conduct joint negotiations. The increase of pay differen-

tials between managerial and clerical staff will be one of the association's main aims, Mr. Bealey said. The staff associations, which have higher mem-bership among the senior hank staff than BIFU, were annoyed at last year's settlement. It gave a general increase of 171 per cent with only a further 2 per cent for supervisory staff and managers.

The associations want a return to the industry's traditional negotiating pattern of national awards, if necessary by arbitration, for clerical grades one to four and general pay increases. Meetings with the hanks over this year's pay settlement are expected in mid-Fehruary. April 1 will be the settlement date common to the English clearing

The Lloyds Banks Group Staff Association, which has 21,000 memhers, is to register a failure to agree with the bank over a separate claim about the pay of lts 2,900 managers. The claim, which aims to restore the managers' position relative to that of 1975, has been ongoing, and under Lloyds negotiating machinery is expected to go to arbitration.

In of £1,400, and, and the union started a month ago.

Claims, for the first time in the Supplies to London and the company, an opportunity for suburbs have been halted and local-level productivity negotias some garages may already be tions. These could give further out of petrol, said Esso.

# Absentee engineers hit BA long-haul flights

BY GARETH GRIFFITHS, LABOUR STAFF

day by maintenance engineers Some jetliners have, therefore, refusing to turn up for shift had to refuel at airports outside work at Heathrow in support of the UK. their 25 per cent pay claim.

The industrial action includes Talks an indefinite overtime ban by 11,000 maintenance engineers at will last until Saturday.

Six long haul flights were cancelled, including a Concorde service to New York. American and Midle Eastern services were at the airport, said it might be the worst hit with delays. Today, BA has cancelled 17 planned European and short-haul flights. Two services to Jersey and two to Bradford and Leeds have heen withdrawn.

BY OUR LABOUR STAFF

**Fechnical and Managerial Staffs** 

yesterday accepted pay offers covering 3,000 clerical staff at

Shell Oll and Shell Chemicals

and a further 3,500 staff at BP

een recommended for rejection

by the union's national negotiat-ing committee hut which was

accepted in local balloting, gives

The deal gives increases of

18 per cent hackdated to October 1 last year, which will

rise to 20 per cent on January 1 this year. The union calculates this will give increases of 23 per

It also gives an extra week's

holiday hy means of more service days, a new three-shift allowance, backdated to October

12-month deal from

Local talks

January.1.

cent overall.

Shell ballot leads to

THE Association of Scientific, significant improvements to the

The Shell offer, which bad January 1 to all staff involved

last the

October, even though the a recommendation by the present settlement date is negotiating committee.

overall package.

**Esso** voting

strike.

The BP deal directly covers

3,500 clerical staff, but the union

says it is likely to he extended to a further 3,500 staff in the

It gives increases of 221 per

cent on basic salaries from

except those already on the maximum. It also gives a fifth week's boliday, and a shift allowance of £1,535. The deal

was accepted at local level after

● Esso tanker drivers began voting yesterday on whether to strike over a pay claim. One union official has already said

there is a strong possibility of

depot, Stanwell, in Surrey, have already walked out.

A national overtime ban

Workers at Britain's blggest

agreement on deal

tinental flights were hit yester- trial action by oil tanker drivers.

Talks were going on last night between BA officials and union the airport and what the trans- representatives on the dispute. port and engineering unions call However, local union leaders at a "roll on" ban. The action Heathrow plan to meet on Tues-strated at 6.30 am yesterday and day to consider whether to step day to consider whether to step up the industrial action and re-

necessary to continue with the maintenance engineers not turning np for work in order to achieve a speedy settlement. o Bradford and Leeds have The indefinite overtime ban considerable progress een withdrawn.

Would have a cumulative effect made in negotiations. The delays have heen made on services. He said the unions question of flexibility.

BRITISH AIRWAYS' intercon- worse by the effects of indus- were prepared to talk with BA The airline has offered the

enginers a pay rise worth 17 per cent which would give lead tradesmen an increase of £16.19 to £18.57 a week. It says there is no more money available to finance a higher deal and wants progress on greater flexibility. BA has ben hit by incraeses in fuels and other costs and regards the maintenance engineers as pay setters for the rest of the 33,000 ground staff. It calls the offer a "generous one."

The union negotiators have told BA they want a deal with "no strings attached." Mr. Havill said the unions were not prepared to negotiate a productivity agreement in the wage settlement although BA say considerable progress has been made in negotiations over the

Work halted

Haven refineries

STOPPAGE by more than

3,000 construction workers has

crippled progress on oil refinery expansion being undertaken at

shores of the Milford Haven

The action has brought work virtually to a halt at the Texaco,

Gulf and Amoco oil refineries.

The addition of catalytic crack

ing units to them will reduce

petrol imports.
At the Texaco refinery, the

men refused to cross picket

lines formed by welders em-

ployed by George Wimpey and

The stoppage coincides with a

union officials to discuss a com-

mon site agreement. Currently

it pays the men £2.85 an hour

and negotiations have already raised it to nearly £3.40. The

agreement has not yet been im-plemented and the workforces

are understood to be claiming

parity with the 24 anthour paid on Scottish oil, development sites.

on Milford

By Our Labour Staff

estuary in West Wales.

# Shipowners refuse talks on fresh pay claim by officers

BY PHILIP BASSETT, LABOUR STAFF

day rejected an attempt by 100.6 per cent and in 1979 was 40,000 merchant pavy officers to 106.8 per cent. The total inreopen a pay settlement con- crease for officers during the cluded last year worth 17.5 per previous. Government's pay

The officers' claim for a further 6 per cent follows a 24 per cent settlement for merchant navy seamen, which was agreed shortly after the officers' deal. The General Council of

British Shipping said yesterday after consulting with its member companies on the officers' claim that it had to stand hy the deal. The employers believed that once a deal had been concinded it had to honoured.

They said that the seamen's deal involved an agreement to examine leave patterns and to draw up guidelines for reducing overtime. If these were put into force — and some reduction in overtime had already been agreed by some members companies — the ratings' settlement would be worth less than 24 per cent on costs.

The differential between the prove working practices.

BRITISH SHIPOWNERS yester- officers and ratings in 1974 was policy was 38.25 per cent, while for ratings it was 37.6 per cent, so differentials had not been eroded.

During the negotiations un the officers' settlement, the employers had said they would be prepared to discuss consolidating on a minimum-cost basis the last three supplements before the next pay deal.

The officers bave argued though, that they want the supplements consolidated in such a way as to yield a further 6 per

The officers' unions responded unsympathetically to the employers reasons resterday and will now take the reply back to their governing councils.

The nfficers may now attempt to improve their deal at company level, and the nninns may advise members, as they bave before, to harden their attitudes towards employers' efforts to im-

## Meccano unions meet management

CRISIS TALKS over Meccano's November Liverpool factory shutdown employees redundant.
ended last night in London with The seven unions involved
union leaders and manage want the factory reopened but a cost of nearly £500m on the representatives tightlipped over the result of the five-hour briefing.

The General and Municipal Workers' Uninn negotiators and representatives of the owners. Airfix' Industries, refused to speak to the Press.

However, a joint statement said: "The trade union's side led by Pat Turner, national officer of the GMWU, made proposals to which the management

the British Steel subsidiary PED. They are disputing the withdrawal of productivity No one would say what the meeting due to be held today between the contractors and proposals were.

The statement added that there would be a meeting of all Meccano employees at 11 am on January 14; a meeting of national union officials on ing of unions and management Union of Railwaymen and the Associated Society of Locomotive Engineers and Markets an

the management, which blamed £4m losses and union troubles, said before the meeting: "There is no question of Airfix chang-

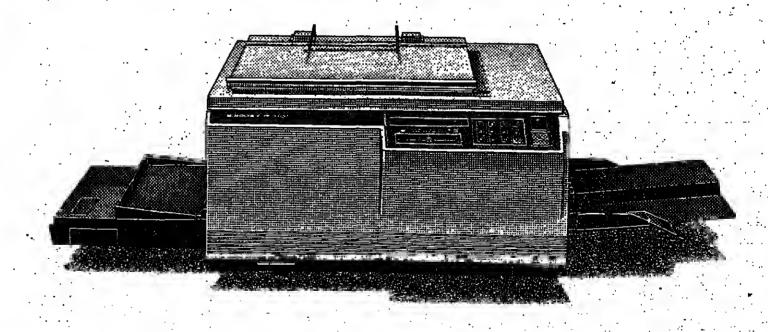
ing its mind about the closure. The company has sent a letter to each of the workers estimating how much redundancy pay they would get. They will also get three months' pay in lieu

of notice. Some long-serving workers would receive several thousand pounds, Airfix claimed.

#### Railmen refuse to end strike

OFFICIALS of the National Workers are still occupying falled yesterday to persuade 250 the plant in Edge Lane, Liver drivers and guards at British pool, which was closed at 30 Rail's Peterborough depot to minutes' notice at the end of end their unofficial strike.

# THE LITTLE MINOLTA. IT'S NOT JUST SMALL, IT'S MICRO PRECISE.



#### Outstanding plain paper copies.

Now you can have superb-quality photocopies on plain paper, even on transparent film or offset masters, from a small, table-top machine. Measuring only 57x 31x 48 cms, it fits right next to your typewriter. Chances are, you'll find the little Minolta measures

up to your office requirements perfectly. Meanwhile, here are some of the most important innovations you'll discover:

#### Revolutionary dry-toning technology.

An exclusive, Minolta-developed Micro-Toning System provides the key to outstanding copy quality. Based on a unique, exceptionally fine-grained micro carrier and even-grained micro toner it gives blacker blacks, finer fine lines and crisper half-tones.

Time after time. It's also very economical in use, and makes toner replenishment super-simple.

Multiple copies, plus interrupt facility. The little Minolta also has a sophisticated micro-

computer with a built-in memory. The 10-key programmer lets you order up to 99 copies at a time, interrupting when you wish for single or multiple copies from a different original.

And no need to reset controls afterwards. Innovative indicator panel.

Brightly-lit, well-positioned indicator symbols tell you when to add paper or toner—and when to call your

Minolta service engineer. There's even a simple fault-

Not that you'll be consulting him very often. A short, straight paper path, for example, makes the little Minolta virtually jam-proof.

diagnosis panel so you can advise him over the telephone.

While the unique, dual-body construction means easier access—faster servicing.

Cost-saving efficiency.

Easy to use, easy to accomodate, the little Minolta is also easy on the pocket.

The toner recycling system starts saving you money And of course, you can make further savings by

copying on both sides of plain paper.

Clip the coupon now for full information or ask for a demonstration, and judge the superior reproduction quality of the little Minolta for yourself.

The little Minolta. MINOLTA EP 310

M	lin	Q	1	a	
∟ Ple	e to hear ase send ase ring	me n	none in	torms:	TÎ DE
. ,			mig-		- LISULAL
NAME	: .	•	٠.		

REGMA (U.K.) LIMITED High street, Houghton Regis, Bedfordshire, LU5 5QL or call: Dunstable (0582) 605551 • OFFSHORE INDUSTRIES

offshore production platforms.

UNDERWATER

equipment for both manoed and

uomanoed submersibles has

been iotroduced by Ulvertecb.

point by integrating speed, distance and heading data in-puts to provide the pilot with

an x-y plot of position relative

to the starting point, with ao

accuracy according to the mano-

facturers, of better that 3 per cent of distance travelled.

to the ose of Erifoo HD 856

by Isaac Bentley and Co. of

Engineers on Atlantic II were experiencing severe bacterial problems, growth problems in the BOP Isaac

ventor circuit, which controls Atlantic uoderground oil and gas pres- perienced

Threats to the rigs

**Protecting insulants** 

tha North Sea is treated at

system, with bacteria to a depth Naylor Street, Liverpool.

coosider the whole question of installations; a review of marine the safety of offshore oil installation on shore incidents to tions, with an examination of illustrate the possible con-

the likely risks and possible sequences of offshore accidents;

osses. and these papers will then be A major aim of the con- used to draw an overall picture

ference will be to examine the of the possible effect of a major size and the extent of the in- loss and its effect on public surance cover required. opinion and the oational The first session opens with a economy, and estimate the cost

ROK-RAP, Evode'e Portland slurry nf uncured cement and "cemeot-in-a-bandage" is being polymeric binders, Rok-Rap is used to seal and cocase insula-activated simply by immersing

tion material on process pipes the bandage in water for 15 to at BP Oil's 800-acre Grange 20 seconds, after which it can

mouth Refinery in Scotland. be applied to the pipes by Oil from the Forties Field in wrapping and moulding by

Grangemouth at a rate of edges.
500,000 barrels a day, making a substantial contribution towards underwater, if necessary, since

Rok-Rap is baing used to keep damage and unaffected by con-dry Rocksil insulation material tact with many solvents as well on otherwise difficult to protect as vegetable and mineral oils

Manufactured by impregnat- painted ing a woven fabric support Evode operates from Common

membrane in a non-aqueous Road, Stafford ST16 3EH.

hand,

Liverpool

Inhibits the oil bugs

Flameproofed, it is a con-

Cleaner platforms

tainerised high pressure jetting of work areas Alba has also pump with fitted hosereel, accesdesigned and built a compact

series pump and bas capability is belicopter transportable and

for every kind of platform top- easily carried by two men. The

side cleaolog doty amenable to jetting techniques, includlog platform air supply and the abrasive blasting and tube cleao-ing. The pump is fitted with at 1400 psi. Accessories for

an adjustable regulator permit- draio cleaoing, sand-blasting and

Tracker under the waves

Britisb Oceanics which recently completed inteosive

acceptance trials, bas installed

the new system aboard the sub-

ing to meet sub-sea applications.

Erifoo HD 856 control fluid is

perienced trouble-free running.

entirely after initial low-level

Isaac Bentley and

Drilling has ex-

design. development

components.

d ratings in line
cent and in lan
cent. The load
infects dum
diversiments
in the land
in t

supplements and supplements are supplements are supplements and supplements are supplements are supplements and supplements are supplements ar

Disking Countries Countrie

Teluppe Ther ta Care men refu

and strike is if the No 2000

MATERIALS

40 tonnes/hr.

protein meal and bone. Low temperature, combined

sections of curved piping.

Rendering process licensed

20 seconds, after which it can be applied to the pipes by

casing, resistant to mechanical damage and unaffected by con-

and diesel fuel. It can also be

overlapping adjacent

of Swedeo's giant Axel Johnsoo and total process systems for the food, pharmaceutical and

rendering edible and inedible Details from the company at animal by-products and degreas-ing bone for gelatine products. Molly Millars Lane, Woking-ham, Berks RG11 2PU. Phone

Pfaudler equipment is modular, totally enclosed and Wokingham 783838. continuous, and operates at

relatively low temperature — approximately 93C—at a proapproximately 93C-at a production rate of 2 tonnes/hr to Pure water It is based on a centrifugal. process for separating the fats,

cuit, the electrical elements of water a day will be treated.

magnified.

Thus problems of cleanliness can assume a serious level; apart from clean air, clean water becomes vital so that for example, ITT Semicooductors at Footscray has just seen fit to order £80,000 of purification equipment for its new 64k random access memory production line at Footscray.

This de-ionisation equipment MBA 800 will be used for the final "polishing" of the water before it is used for rinsing etched silicon slices to remove any trace of surface deposit. Houseman has already sup plied other equipment which

involves softening and reverse with rapid processing, yields exceptionally high quality fat and bone which is very suitable for subsequent gelatine manu-

### COMPUTERS Burroughs mini from **Scottish** plants

ALBA CLEAN has designed and the box can be stacked with and built a cleaning unit for other containers when not in FEATHER IN the cap for the Cumbernauld and Glenrothes design and production teams of Burroughs Machines is the fact To cope with routine cleaning that the development of the company's new computer for sory and tool lockers. The and highly portable air-operated and highly portable air-operated and highly portable air-operated in the pump built around a Myers 7500 CX10-10AV pump. This pump contains a compact and built around a myers 7500 CX10-10AV pump. small business and network applications, the B90, is their achievement, stemming mainly from their previous success

UK managiog director Bob Akers believes the new machine, which replaces the B80 (of which 4.000 are installed in the Burroughs U.K. markat share of small business machines, thought to be about 19 per cent.

an adjustable regulator permitting stapless variation of detergent injection for degrees pressure from zero to 10,000 psi. ing make the unit ideal for The standard container unit many tasks on platforms, in is fitted with slings, forklift refineries and elsewhere, whenslots and door seals. This ensures convenient handling, security and weather protection. Space requirement is minimal 0224 878188. As with any new computer introduction, the keynote has to be improved price/performance cbaracteristics, and among the Scots design team's achievements is a three megabyte floppy disc store (1.5 MB per side) claimed to be "well in advance" of any competing sen flexible disc and holding three des times the dala of the previous B80 drive. Apart from referring 10 higher rotational speeds, closer tracks and greater packing density, Burroughs reveals. other design data.

It antomatically tracks the mersible Pisces 2, currently position of the submersible working in the Medilerranean. from a predetermined starting However, in practice, employ-lng a dual drive, the develop-Ulvertech specialises io the meni means that the user has a not inconsiderable six megabytes of bulk storage at his application of advanced elec-

#### tronic and mechanical engineer-RESEARCH The company is at 112 Duke Straet, Barrow in Furness, Cumbria. Telephone 0229 28004. **Transistor** circuits TO COMBAT serious bacterial of four-five inches in the bulk go faster growth problems on its Atlantic tank and growth tank and

AN EXPERIMENTAL traosistor II offsbore oil rig. Atlantic
Drilling Company has switched
the cost of Fried HO 355 microstructure that could lead to a new form of very large scale integrated (VLSI) cirand presented a danger of BOP control fluid, manufactured corrosion to the hydraulic cuitry has been produced at IBM Yorktown Heights.

Experimental circuits show the high switching speed of 0.8 Essectial to effective opera- now used in the system at 100/1 tion of the rig's blow-out pre- dilution. Since the change, nanosecond, double the packing density so far achieved, and low power consumption. The oew structure is a modi-

sures, is an effective anti- with no corrosive effects on the corrosive and bacteria-inhibit- hydraulic system. Bacterial ing hydraulic control fluid. growth has been eliminated fled version of the sillcon hipolar junction transistor that has been the keystone of the mainframe computer industry. Recently, a type of logic circuit based on that technology has been gaining importance because of its high packing density (which allows many such tiny circuits to be placed close to one another) and its low power dissipation (which allows the highly packed circuits to UNDER the ominous title "Off-shore oil in Jeopardy," a two-day ture, burden and manpower conference is to be beld in London on March 17 and 18 to hazards pertinent to offshore out overheating

Called merged transitor logic (MTL) or integrated-injection logic, the circuitry had seemed promising for implementation in VISI except for ooe serious drawback: MTL circults boilt with the conventional bipolar technology and device microstructure bave relatively slow switching speeds.

#### MAINTENANCE survey of investment in European waters as an economic basis for the examination of losses and their effects on this major industrial effort. Then follow in order: a survey of the **Portable** water jet

SPECIALIST in high pressure water jet production, Harbeo Systems of Salisbury, bas deve-loped a lightweight self-contained unit suitable for mounting on a Ford Transit

chassis.

Although drain cleaning and maintenance is a prime market target, the unit can be used with the existing range of Harben high pressure accessories including a device for dealing with areas of floor, an abrasive injection equipment,

substantial contribution towards the terminal contribution towards the cement and the company's submersible sufficiency in fuel and from washing out of the bandlubricents and providing raw age. When curing is complete, it.

Powered by a Perkins 35 bp lubricants and providing raw age. When curing is complete, it material for a bost of petrochemical using industries. casing, resistant to mechanical diesel, the new system is available with one of three Harben pumps providing three, four or five thousand 1b/sq inch at throughputs of 10.5, 8.0 and 6.0 gallons/min. respectively.

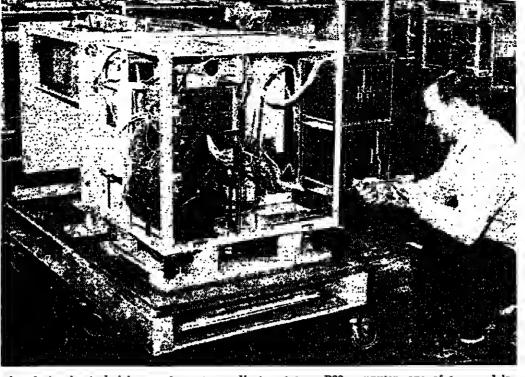
More from the company at the company Watt Road, Churchfields, Salisbury, Wilts. (0722 25424).

WORLDWIDE rights to the in the control of air and water and the chances of insulation Pfaudler fat conversion system pollution. interference are further beld by the Sybron Corporation The A. Johnson factory at of Rochester, New York, bave Wnkingham, Berkshire specialheen acquired by the UK arm ises in the supply of equipment

The system is used for chemical industries.

# for chips

Not least important, the become ever more minute, consystem ensures good environductor spacings are tiny the Priory, Burnham, Slough
mental conditions, in particular fractions of a hair's breadth, SLI 7LS (06285 4488).



An electronics technician carries out an adjustment to a B92 computer, one of two models in the B90 range being manufactured at Burroughs' Cumbernauld plant in Scotland

10 addition, access time is 40 per cent lower at 157 nanosecoods, a time which the company claims is as good as the average disc cartridge.

The processors—words such as "mioi" or "micro" are

as "mioi" or "micro" are sensibly avoided—are simply described as "uslog large scalc iotegrated circuits" and they work at 2 MHz, which is two to 6ve ilmes the speed of the comcomputer to alter its operating task. A master coolfol program,

office desk, the B90 has keyboard, leg well and printer to playing answers. the right and disc store drawers" at lower left with a free-standing 12 in. display to the B80 remains available for screen oo the desk top. The display cao be switched peripherals can be connected, between 256 and 1920 Entry level machine is designaracters/sec to suit the work. pany's earlier small machines. The increased power of the fixed store (up to 512k is pos-"Variable micrologic" is B90 means that it can be used sible), a 90 character/sec-employed, which allows the in distributed data processing prioter, the screen, 6 MB of

and data communications netlogic to fit the particular works, Terminal oetworks can requirements of each processing be set up and at the same time works. Terminal oetworks can be set up and at the same time More from Heathrow House, each unit can perform multiple Bath Road, Hounslow, Middx., which governs system operation, data processing tasks, ao ability TW5 9QL. (01-759 6522.)

disposal, treble that of the B80, gives the B90 the virtual often limited to larger machines. memory efficiency of the com-pany's big machines.

Terminals can be used as multiple data input and promultiple data input and programming stations as well as for enteriog requests and dis-

> the B90. A variety of other disc and toe operational software, the price is under £12,000.

#### • IN THE OFFICE Guide to microfilm

readers OVER 250 machines from 40 suppliers are listed and described in the latest edition "A Guide to Microfilm Readers and Reader Printers" published by G. G. Baker and the UK, 42 per cent are made development in this field that duced since the last edition was published four years ago. Much in favour of this book

is the fact that exactly the same amount of space is given to each product-s balf page-and that each is described in the same way and has a clear line drawing in the same style. Comparison is very simple.

E8. More from the company at 54 Quarry Street, Guildford, Surrey GÜ1 3UF or riog 04868

Of the machines on sale in 6653.



Associates, and it is an interest in the U.S., 28 per cent in this ing indicator of the rate of country, 14 per cent in West Germany and 6 per cent in 150 of them have been intro- Japao. Furthermore, due to a combination of throughput and competition, prices have increased on sverage by only 20 per cent in four yesrs, from £134 to £160.

The book measures 8 x 5 inches, has 224 pages and costs

#### HANDLING Simple belt tensioner

RHP BEARINGS has extended its range of "Self-Lube" boused slideway has been designed for bearing units to include a new case of manufacture, so that a

Of simple design, it is a compacl assembly comprising a and its characteristics should sealed ball bearing in a cast iron meet most requirements. housing, and a holder that is simply bolted or welded into metric and inch hore sizes with-

then made a cost effective unit that eliminates many of the expeosive and time consuming features oormally associated

type of conveyor belt tensioner, user can make his own if he the BT series. The holder gives coo-

RHP offers this unit in both in the range 25mm to 35mm RHP first analysed the many and ; to 7-16th in. There are different types of arrangement two bearing housing sizes and used for belt tensiooing and one size of holder to suit both housings.

Bearings Division, POB9, Ferryhridge, Knottingley, West Yorks. WF11 SLS. 0977 84121.

#### AGRICULTURE Protecting the soil from erosion by wind and water

NEW soil-conditioning material, parent brown solution which tioner prevents hard crusts, abrasion of plants, a real hazard with Lima economically and the composition of which coowill not precipitale and can improve the germination of lo young seedlings, is reduced without fear of pollution. slsts of about 40 per cent therefore be sprayed with fine seeds and reduces clod dramatically when larger doses. Spraying with Lima may posteffluent from the paper industry, ordinary agricultural spraying sizes in heavier soil at barvest of Lima lo a greater dilution of pone and possibly eliminate the bas been developed at the or drip irrigation equipment time. It has also been observed water are used. Copolina gives need to build a shed or special Technion-Israel Institute of

Extensive trials of the new conditioner bave been carried out io co-operation with Makhteshim Chemical Works of Beer Sheva, and the way is clear for commercial production of a range of the materials lo be known as Lima, Lla, Copolima

or drip irrigation equipment time. It has also been observed water are used. Copolima gives need to build a shed or special without fear of clogging the that, due to its stabilising promore permanent protection to storage facilities. A single nozzles. Copolima and Copoliba perties, Lima spray out only the sand that will not wash spray over a loaded lorry or are stable emulsioos and can

mical in use. The best results water, for completely arld soil are Dust

schleved by first preparing the of sandy soil can be drastically can be prevented by the action seed hed mechanically, then reduced for weeks at a time by of the soil conditioners which and Copoliba.

planting, and finally spraying a single application of Lima biod the dust-sized particles Lima and Lia, when mixed the soil with the Lima soluspray, which is effective even and stabilises them. Granular with water, produce a traostion of the condition when very beavily diluted. Sand row materials can be preserved

reduces run-off during beavy away, while Copoliba is by far railway cart can fix the surface also be sprayed without clog-rain but further reduces the most stable against washing of the granular malerial and giog.

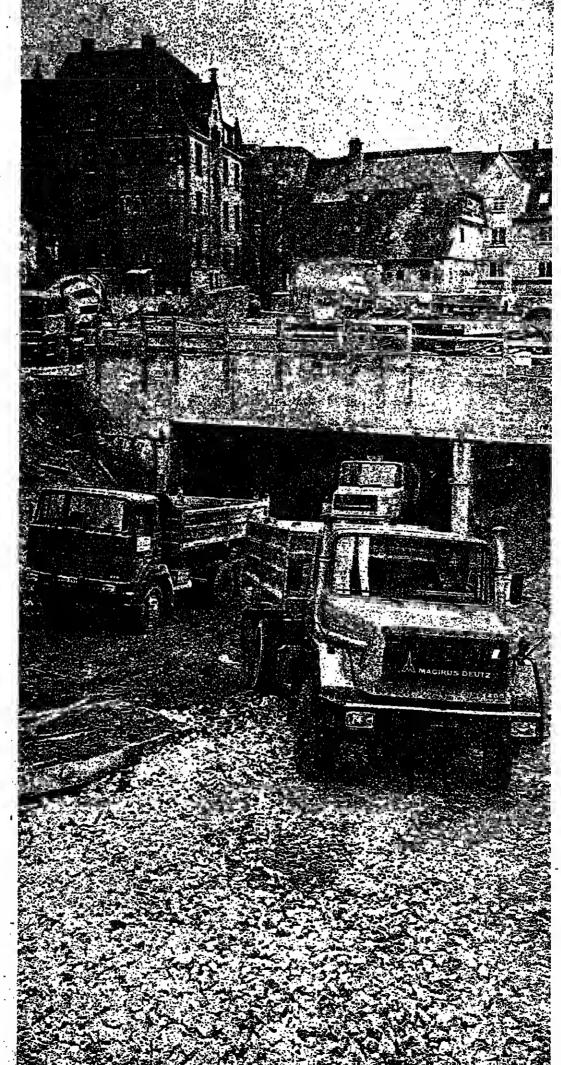
Splashing of soil, as well as away and ahrasion effects of the application of Lima around Lima is seasonal and econo-wash-off of soil by flowing free sand grains.

drainage pipes produces an

Dust damage and wiod erosion lots, playgrounds and gardens

Dust on road sides, parking artificial soil aggregate and prevents fine particles from washing loto drains and clog-ging them.

Technion City, Haifa 32 000,



#### On January 1st, 1980 Iveco (UK.) Limited was created.

Fiat, OM, Lancia, Unic and Magirus Deutz. united to form lveco. Together they represent 350 years of manufacturing experience. Working as one to broaden their research. they produce a highly specialized range of trucks and buses that are above all safe, reliable and economical to run. Truly a sharing of traditions, resources and technological know-how. And an international dealer network with years of experience working alongside

#### Now in Great Britain

On January 1st, 1980, Iveco (UK) Limited was created from Fiat Commercial Vehicles Limited and Magirus-Deutz (Great Britain)

This further move enables Iveco to reinforce

its position in the U.K. The trucks and networks of both Fiat and Magirus-Deutz will thus get a stronger support: greater efficiency, better service and better availibility of spare parts. From now on, running Fiat and Magirus-Deutz trucks will be easier still for you, with Iveco's broadened organisation hebind you.





GROSVENOR OFFICE SUITES

Luxury office facilities available in Grosvenor Sq. 10 offices individually

# The Royal Liver Building LIVERPOOL SUPERBLY REFURBISHED

SPACIOUS FLATS

FOR SALE



Smaller units are

TO LET

Available for early occupation. Full details and colour brochure available from the Sole Joint Letting Agents;



Corden&Co

Tel: 051 236 8923

### THE PROPERTY MARKET BY MICHAEL CASSELL

# Still room for rents to grow

underway the first round of rent money market associated activipredictions for 1980 is already ties. underway.

According to two agents reports out this week there is, despite the uncertain economic are much more likely to be climate, still mileage left for affected by economic recession office rents in the City and with firms reluctant to move adjacent Holborn.

Reports from Savills and De Groot Collis predict that rents may continue to rise-albeit at tier property market in the City a slower pace than of late-with top quality office space in these the yield gao between prime areas in short supply and and secondary properties widenunlikely to completely satisfy ing as the recession starts to demand in the immediate future. bite.

Peter Oswald, one of Savills' City experts, says in the agent's annual review of the property scene that although the Government's present monetary policy may restrict sectors of the property market, particularly new development, there will be growing confidence in the City as a financial centre. The removal of exchange controls, he adds, should only enhance the Square Mile's strategic import-

There would appear to be some justification in the thinking that rents for the very bestquality offices in the City will continue to be underpinned by supply-and-demand factors, with increased demand for space anticipated from potential growth ANDREW TAYLOR

WITH THE new year hardly areas like banking and other

There is, however, less confidence about prospects for secondary properties. Rents at the weaker end of the market because of the high costs in-

This could lead to the twobecoming more pronounced and

De Groot Collis also take a cautiously optimistic view of the Holhorn office market where it says rents for the best quality space rose by as much as 50 per cent during 1979.

Rents for tnp quality air conditioned offices now stand at around £13.50 to £15 a sq ft compared with £20 a sq ft and more in the City.

De Groot Collis says that there are comparatively few Holborn developments and modernisations in progress and predicts that rents may rise a little further yet and will then re-"substantially at that level of least until the heginning of the summer.

#### IN BRIEF

 British Alrways is to pay an initial £120,000 a year for a 15-year lease (from August, 1978) on 421, Oxford Street, to be used as a travel shop. The property, which has 5,760 square feet of ground floor and basement space, was acquired from Rama Superstores by BA's property

department and Smith Melzack. A "substantial" premlum was paid. • Spillers has taken 11.800 square fect of space at 8. Gate Street, Lincoln's Inn Fields. at a rent of £100,000 a year. Edwards Bigwood and Bewlay were letting agents and Kinney and Green repre-

sented the tenants.

At 7 Hanover Square, WI, 24,000 sq ft of space on three floors and held on two leases by Esso Petrolcum has been assigned by Jones Lang Wootton to Trust Honses Forte Hotels. Rent passing is £307,225 a year and premium of £500,000 was paid for the leasebold interest and fixtures and fittings.

Artagen Properties and Uister Properties of Belfast are building a £6m, 78,500 sq ft office development on the site of the old Liverpool Stock Exchange. The six-storey building is due for completion in December 1981. • City Land Securities has paid over £1.5m for the entire, eight-property portfollo of Consortium Property. Bristol, and sold on three hulldings to the Prudential for over £14m. Hartneil Taylor Cook acted for the Bristol group and Martin Clarke represented CLS.

# Year-end brain-teaser—the answers and winners

perty buffs who sent in entries to the Christmas property quiz, the answers to which are printed below.

No competitor answered all the questions correctly and one or two (very wrong) answers displayed the type of vivid imagination to be expected in the property world. One U.S. banking entrant please note: Michael Stonebouse is not the correct name of the Minister responsible for planning.

The contestants with the fewest incorrect answers (three) were Messrs. Naresh Gudka and William Martin of Quilter Hilton Goodison and a magnum of champagne bas duly been despatched Happy New Year.

I—A £5m GLC grant to help modernise Earls Court. 2-EMI in deciding not to occupy its new Tottenham Court Road HQ. 3—Wallis Fashions changed their mind about

occupying space in MEPC's "West One" scheme. 4-English Property tion sold its Nice site. 5-Land Securities should be broken up, according to Sebag. -Mr. Hugh Brackett, chairman of Dollar Land. 7-The Location of Offices Bureau spent unwhich authorised money in attracting overseas business to the UK. 8-Lambeth, in rejecting Grey-

coat Estates' offer to provide

housing as part of the Coin

Street scheme. 9-The Arab proprietors of the Dorchester Hntel.



Narish Godka and Will Martin, property analysts with Quilter Hilton Goodison, make a start on their winnings.

Furction Clark Die Galson

We're name-

dropping again

firm now known as Farebrother Ellis & Co, many

distinguished partners have come and gone.

And we will be known as Farebrother.

ever-increasing competition.

Since 1799, when Charles Farebrother founded the

As from January 1st, 1980, our name will go as well,

Why!
Firstly, because it is more visible in a business with

Our 180 years of experience have given us a unique

And secondly because it is more memorable.

But we shall still retain the strong associations

And we shall still give our clients the personal.

the field of our activities, but our principles will remain the same. Because it is what lies behind the name that

**FAREBROTHER** 

Chartered Surveyors

25, Figer Street, London ECAY IAL Tel: 01-353-9344 and 0f-583-9393.

In short, our name may change, we shall broaden

foundation to build on, and we plan to expand our

with the City which our partners have built up over.

activities throughout the United Kingdom

service on which they have come to rely

Corten Breach Galswerth

Bouverie Properties — the Morecambe Liberals in April. U.S. investment arm of the 14-The bankruptcy examina-NCB Pension Funds bought tion of William Stern heard he Continental Illinois Properties, which has an interest in the Watergate Complex in Washing-

11-Heron, after complaining of 15-Lord Grade in huying intolerable delays during the Laurie Marsh's Intereuropean Coin Street public inquiry. Lloyds of London.

13-Cyril Smith, Liberal MP to

a 37 per cent increase over the orevious valuation only nine months before. spent £17,000 on a Millais portrait with money obtained loans from his companies.

24—Taylor Woodrow wants to develop with others a £400m complex at Surrey Docks. 25-Dntch group Bredero and

Capital and Counties developa major shareholder. ment at Sutton. 17-Mr. Kidwell was one of the inspectors appointed to investi- 27-The pension funds. Messrs. gate the affairs of Peachey Property Corporation Evidence included reference to a £65,000

necklace ordered from Aspreys

to his connections with Fulham

18-Legal and General Assurance

ment at Chiswell Street brewery

20-The Wembley Trust sold the

Palace of Engineering next to

21—Francis Pym. Secretary for Defence, applied to Mr. Michael

Heseltine, Secretary for the Environment, to demolish his ancestral home—but was refused

office space in any Greycoat scheme which goes ahead on the

23-The Corn Exchange, which

had its building revalued to show

-Shell UK says it will occupy

Wembley Stadium.

permission.

South Bank.

Football Club.

Colburn and Peat were members of the Northfield Committee and voiced serious reservations about the role of institutions in by the late Sir Eric Miller and

agriculture. 28-St. Quintin reproduced a

picture of Number One Cornhill back to front on marketing material. 29-ODPs were ended on August

and MEPC are developing the Long Acre site in Covent Garden, Or: Standard Life and 6, 1979. 30-London Metal Exchange is Greycoat Estates at Cutlers moving to Plantation House after 100 years in Whittington 19-BP are considering buying the Whitbread-Trafalgar develop-

Avenne. 31—British Rail Property Board's Liverpool Street scheme 32-Ladbroke bought the West-

moreland Hotel. 33-Mr. Oliver Marriott, author of "The Property Boom." 34-Mr. Tom King is directly responsible for planning although as some competitors pointed out Mr. Heseltine has

overall responsibility.
35. Development Land Tax. 80 per cent (old rate) 664 (concessionary rate) 60 (new rate). Picture questions: (left to right) (a) Mr. George Walker, chief executive of Brem Walker, who intends to build a Port Grimaud-style scheme at Southend. (b) William van Dijk of Wereldhave, who failed in his hid for English Property Corporation, which was taken

London Transport are joining over hy Olympia and York, run forces to develop an office com- hy hrothers Albert and Paul plex at Hammersmith Broad- Reichman. (c) Billingsgare. Laurie Marsh's Intereuropean plex at Hammersmith Broad-Reichman. (c) Billingsgare.

Property Holdings.

way.

way.

Centre Point award by Oldham

Contre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham

The CBI took space in Centre Point award by Oldham Centre Point, owned by Oldham to go to Kingston after first building. (e) Commercial Union.

**K**) for Industry

BEDFORD

58,650-269,600 sq. ft.

9.000 sq. fc. + Yard TO LET

GILLINGHAM

**GUILDFORD** 

12,500-35,500 sq. ft. TO LET

Warehouse Premises

12.242 sq. ft.

POTTERS BAR

**WEMBLEY PARK** 

King&Co

Chartered Surveyors

1 Snow Hill, London, EC1

01-236 3000 Telex 885485

Manchester, Leeds and Brussels

42,000 sq. ft. Superb fully equipped Warehouse TO LET

10,000 sq. fc. Modern Factory

TO LET

Warehouse/Factory Units From 5.000 sq. ft. TO LET

KEW, RICHMOND

Warehouse 4,500 sq. ft.

Modern Warehouse Units High Specification

LEASE FOR SALE/TO LET

EAST LONDON

**EDMONTON N.18.** 

Newly refurbished Factory/Warehouse

# Into the රජ

#### London

BOW, E3

Factory 330,000 sq ft on 6.5 acres (part tenanted)

Upper Tuise Hill, SW2 New factories/warehouses 9,000-19,700 sq ft

Harringay, N4 New warehouse/factory units 2,500-70,000 sq ft

Ditchburn Street, E14 New warehouses/factories 11,000-24,800 sq ft **TO LET** 

#### Herts

London Coiney

New warehouse 29,500 saft TO LET

New warehouse 44,500 sq ft on 3 acres

LSQ AT 4 WATER STREET LIVERPOOLL 2357 051-236 8732

MATTHEWS GOODMAN & POSTLETHWAITE 01-248 3200 72 UPPER THAMES ST LONDON EC4R 3UA

OFFICES 100/150,000

Required by International Company

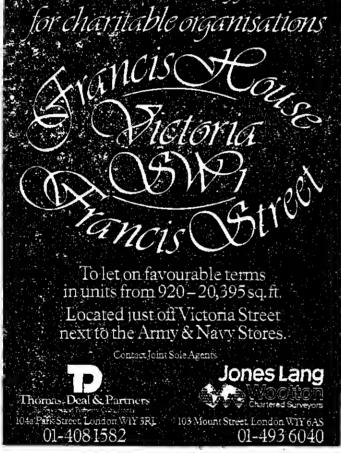
Central London or within a 30 mile radius

Details are invited of existing **Buildings and Developments** 

TO LEASE OR PURCHASE

Box No. T5186

Financial Times, 10 Cannon Street, EC4P 4BY



Modernised offices

Brook Street London W1Y 1YB 01-408 1161

client seeks equity partner for the submission of a ioint bid on the above site. ref. DMB or SJW Debenham Tewson & Chinnocks fartered Surveyors

# Effra Site, Vauxhall. Major institutional development



# HAMNETT RAFFETY 38 West Street, Marlow Bucks. MARLOW (STD 062841 6521

# Prestige New Factories & Warehouses

11,000 - 62,500 sq ft

Brook Road, Wood Green London N22 Further information may be obtained from the Joint Sole Agents

Norman Hirshfield Ryde & Browne **Portmans** 

Debenham

& Chinnocks

Chartered Surveyors

London W1Y 1YB 01-408 1161

Tewson

SW1

#### **BUSINESSES FOR SALE**

#### FOR SALE BY TENOER AN IMPORTANT LEASEHOLD GRANITE QUARRY CLOSE TO A MAJOR DEEPWATER HARBOUR

Located in Northern Scotland. The granite quarry together with two substantial leasehold sand and gravel quarries (one of which adjacent to the granite quarry) are for sale with associated Particulars may be obtained by principals only on written

P. S. Padmore FCA
Southwark Towers
32 London Bridge Street London SE1 9SY
The closing date for tenders is Noon on Monday, 28 January, 1980

#### FOR DISPOSAL

Assets of old established paper making and converting company manufacturing technical speciality papers. Freehold site and fully equipped works situated in East Midlands. Substantial order book for home and overseas. Management available.

Please reply to Box 18699, Reynells, Eldon Chambers 30/32 Fleet Street, London EC4Y 1AA

#### PAPER MANUFACTURERS AND CONVERTERS

Well known business for sale with a turnover in the region of of million involved in the manufacture of on-machines coated and uncoated papers. Also available is a valuable, patonted and operational coating process with substantial potential. The business is situated within easy reach of London and employs 240 persons,

Please reply by return to: Box 18577, REYNELL & SON LTD., Eldon Chambers, 30-32 Fleet Street, London, EC4Y TAA.

#### OPPORTUNITY IN AVIATION

For sale as a going concern. Well established and highly respected Aviation company actively involved in the North Sea oil industry and who are also leading charter specialists. Management and staff available. Capable substantial expansion. Good order book. Write Box G.5124, Financial Times, 10, Cannon Street, London, EC4P 4BY.

**LEEDS** 

WELL-ESTABLISHED ARMENT MANUFACTURING

**BUSINESS FOR SALE** 

MODERN FREEHOLD PROPERTY 27,000 sq Ir EXCELLENT MODERN MACHINERY

Capacity of 7,500 garments per week GOOO OROER BOOK

For Sole by way of disposal of essats.

OI 055415.
Full details:
T. SAXTON & CO.,
Chartered Surveyers,
SI Queen Street, Sheffield, S1 1UG.
Tel: (0742) 77635.

RECORO ANO CASSETTE

RETAIL SHOP AND

MAIL OROER BUSINESS

FOR SALE

Nowman House, Northgala Avenue, Bury St. Edmunds, Suffolk, 1932 668.

**BUCKS** 

near Honley & Marlow

Reral costition in abr. 31- acres For Bale as a Pablic House or conversion to Country residence. 2 Bars with rear cellar. Hall to Kirchen 4 3 other rooms with Bath... Cloarcomp. Beer and Privata Gardans. Parking & Paddock. Freehold £75.000.

OUNSTER & MORTON 34, King's Rd.. Reading. 7el, 562 738

LEADING OFFICE EQUIPMENT

COMPANY FOR SALE

Leng established and well respected. Situated In Londen. Specialists in service and sales to reputable companies. Total staff 20 includs 11 Technicians. Substantial

Write Bex G.5121, Financial Times, 10 Cannon Street, EC4P 4BY.

inveiced sales end profits.

ed in very busy London auburb ff High Street. ver £170,000. Rani £30 ger week. £25,000 + Stock Contact—Mr. P. Carter. man House. Northeals Avenue.

#### A SUB-CONTRACTING **ENGINEERING** COMPANY

comprising deep draw prass work, metal spinning, sheet metal, small toolroom, specialist welding and assembly shop. Turnover £350/£400,000 p.a. Also freehold property, largely ground floor, 4S,000 sq ft approx. plus land. S.E. Lancashire area.

Write Bex G.5125; Financial Times, 10 Cennon Street, EC4P 48Y.

TWO MAGAZINES FOR SALE HORSE and PONY,

SCOTTISH GARDENER Write or Talephone. H. G. Sennett, Esq., Managing Director, Holmes McDougall Lid.,

Allander House, 137-141 Leith Walk, Seinburgh EHO ONS, Tel: 831-554 9444

INSURANCE BROKERS Well-established
Premium income £140,000 with
excellent potential far excension.
Location Central London. PRINCIPALS ONLY

Write Box G.5118, Financial Times, 10 Cannon Street, EC4P 4BY.

GLASS MERCHANT GLAZING CONTRACTOR in North East for sale

Turnover approximately £200,000 per annum. Scope for expansion. Good Menegement.

Write Bex G.5119, Financial Times. 10 Connon Straer, EC4P 4BY.

Luxton & Lowe Ltd Specialists Agents in the Specialists Agents in the
SALE & PURCHASE OF
HOTELS/CATERING & MURSING
REST HOMES
Urgently require sound businesses
to meet steedy damend.
Business Chembers
98a Burlington Roed, New Meldan,
Surrey - 01-949 5451 - PBX **ENERGY CONSERVATION** ANO HEAT RECOVERY

Write One G.5183, Financial Times, 19, Cannon Street, EC4P 48Y.

#### **BUSINESSES WANTED**

#### OVERSEAS TRADING COMPANY WISHES TO PURCHASE SIMILAR U.K. COMPANY

to complement its existing business of purchasing and salling merino and other oquipment and spares of all types. Must have consistent record of net profits of approximately £30,000 p.s. and good growth potential. Perfer private company whose management wishes to satire but is prepared to remain sed train a successor. Banker's and auditor's reports are essential. All replies treated in strictest confidence.

Write Box G.5122, Financial Times, 10 Cernen Street, ECAP 48Y.

### STOCKIST

AN OVERSEAS FIRM

Sheffield Dore House Estate, Handsworth Modern Warehouse/Factory/Distribution Centre. 78,625 sq ft approx on 3.25 acres

FOR SALE FREEHOLD or to let

ealey & Baker 01-629 9292

29 St. George Street, London W1A 38G

6a Campo Lane. Sheffield S1 2EF Telephone: 0742-71277 Telex: 547490

# REGENT STREET, W1.

Self-contained, Air-conditioned

### OFFICE BUILDING

-LEASE FOR SALE

32,000 Sq. Ft.

**POSSESSION JANUARY 1980** 

Apply:

GOODMAN MANN ASSOCIATES 31 St. James's Place, London SW1A 1NR Tel: 01-499 8231

#### **WORLEY HOUSE**

Finchley, London N12 **Air-Conditioned Offices** 

\* Marble Entrance Hall \* Directors Suite."

IMMEDIATE OCCUPATIO

Henry Davis & Co

**Goddard** & Smith

& YARWOOD

ST. JAMES'S · LONDON SWI Fine refurbished office suites and residential

units. Immediate possession available. TWO OFFICE SUITES OF ,331, AND 1,349

(TOTAL 2,680 SQ. FT.) Plus maisonette of four rooms and flat of two rooms, kitchen and bathroom.

**APPLY SOLE AGENTS: DE&JLEVY** 

Estate House, 130 Jermyn Street, London SW1Y 4UL. Telex: 267761

**VAUXHALL** S.E.11 GARAGE 9000 sq. ft.

173 YRS. UNEXPIRED LEASE FOR SALE

WILLETT

01-730-3435 SHOPS AND

**OFFICES** 

EALING, W.5. Approx. 2,138 sq. fr.

Close transport in modern block 5th-floor eulte, enjoying panoramic views. C.H., lift. partitioned and part carpeted. Lease at £10,040 BRENDONS 998 2711

#### **VICTORIA SW1**

2 Floors Offices. 2,620 sq. ft. Lift ch: Lease 1986 RR 1982. Further details apply: HENRY DAVIS & CO. 499 2271

MAYFAIR. W.1. Offices — 1,000/2,000
as, ft. All amenities, Apply P. H. & P.,
01-486-5256.
OFFICES, W.1. Close Bond St. 575/750
as, ft. re-decorated floors. Apply P. H. & P.,
01-486-5256.
BECKENHAM (BOEM PARK). 4,000 sc. ft.
on two floors—as a whole or in suitae.
Negociable Lages. Killick & Partners.
1. High Stroke, West Wickham. 01-777
1145.

#### In CLWYD today 127,000 people went to work as usual. It's a fact. Clwyd'o work-

force can justly lay claim to one of the best labour relations records in Britain today. With this multi-skilled

workforce, proximity to major markets and national/ international communications networks, this progressive Welsh county, with full Development Area Status, dominates the north-western development scene.

Talk to us about the low cost sites and factories plus extensive financial aid available to incoming industries - we'll make you a deal you can't refuse. Contact Wayne S. Morgan, County Industrial Officer, Chwyd County Council, Shire Hall, Mold Tel Mold 2121)



FOR SALE

PROPERTY WANTED

COMPUTER CONSULTANCY wishes to share or sub-let amait office in West End, possibly to exchange for services. Please reply Box G.5197. Financial Times. 10. Cannon Street. ECSP 48V. or tel. 01-666 6769. INTERNATIONAL PROPERTY

#### **AVAILABLE 1281 ACRE PARCEL** WASHINGTON, D.C.

- **Convenient to Washington** Baltimore and Annapolis, MD.
- Zoned for Industrial/Office Park
- **All Utilities Available**
- **Rail Served**
- \* Industrial Revenue Bonds Available

#### Write or Gall:

**Department of Economic Development** County Administration Building Upper Mariboro, Maryland 20870 (301) 952-4460

PRINCIPALS ONLY

#### OWN A PIECE OF CANADA

Invest in Canadian Real Estate; farms, acreage, Commercial and income, producing high yield investment. For full details write to Mr. Bentley, 12, New Church Road, Bolton, Lancs. BL1 5QP, or telephone 0204 44765.

#### **APARTMENT BUILDINGS** No. of Aprils. 412 501 250 200 \$22.5K Naw 000 \$25K 01% 176 \$18.5K N ego.

SHOPPING CENTERS

BARCELONA DEVELOPMENT 132 buagalows, 80% finished CO 400 \$29K 71% VA 209 \$35K 7% LA 250 \$31K New TN 190 \$15.2K Nego. LA 260 \$24K Nego. AL 210 \$24.5K 9.5%

GAV Albuquorane, N.M. 250,000 sq. ft. Price: \$11,88mm/Fin.: \$9,2mm at 6,86% Balles, TX 275,000 sq. ft. Price: S9mm. Financing reportable. F. H. JOHNSON & CO. 415/433-2444 Pale Alto Sc., Pale Alto, CA. \$4204. Muenchen 2

SFr 1.95m or SFr 9750,- per bed

Ledererstr. 2, 8000—

# avarago, cost SFr 11,000.— each, and/or Hotel, restaurant, shops, 90% complete, for sale or

# BUSINESS

Ploatics company would like to buy a stacklar business handling sheet plantics materials. Existing management retained if declared or would auk ratining owner. South-East area preferred. Please send details to: Box 6,5120, Financial Times.

10 Cannon Street, EC4P 48Y.

wishing to centrol its own buying to interested in purchase or partnor-ship with a buying/confirming/ expert business beed in London. Write Bor G.5129, Financial Times, 10 Cannon Street, EC4P 4BY.

# Town Centre and campus. Up to 50 acres

11 1980

Plantation )

intends

istry

4 7 2 43 <del>9</del>

Ring Mike Morgan 0952 613131

**Offices** 

Town Centre. 5,000 sq. ft. remaining

Available Now

Town Centre. 55,000 sq. ft. Prestige Block

Office Sites

Serviced. Available Now

Telford Development Corporation, Priorslee Hall, Telford, Salop TF2 9NT Westwav M40 Kensal Road · London W.10 10 x 6,000 sq. ft. Factory Units

> TO BE LET A prestige Factory & Office complex Completion February 1980

> > CHARTERHOUSE STREET, ECI

(Adj. CHARTERHOUSE SQUARE)

SOUTHWARK STREET, SEI FOR SALE: 8,755 eq it gross. Free-hold. In need of renovation. Oppo-eite Lloyds Benk Operations Centre. Sult swiner-pocupier.

Further detaile:

JAMES ANDREW & PARTNERS

McKay Securities Group

MELLERSH 43St, James's Place St, James's Street

CHARTERED SURVEYORS Telex: 24310

Goodmayes Essex SHOWROOM -WAREHOUSE **PREMISES** 10,300 sqft

FOR SALE MATTHEWS GOODMAN

rrsr & POSTLETHWAITE 01-248 3200 72 UPPER THAMES ST LONDON EC4R 3UA

Single Storey **FACTORY** 24.000 sq ft WITH-OFFICES

EDWARDSYMMONS TELO1834 8454

& PARTNERS 56/62 Wilton Road, London SW1V1DH INDUSTRIAL DEVELOPMENT SITES at BOLENESS ROAD, WISBECH, CAMBS.

Approximately acre plots ideal for industrial development Polices around £10,000 per plot

All plots issue 95 feet road frontage

Located ket off Ad main Kings Lynn to Petarborough road kall services, including telephones, are adjacent to sites

One smaller plot is evaluable

Fraguiries to industrial Development Officer.

Fenland Hall, MARCH, Cambs, PE15 BNQ.

Tel: March (05542) 4321 Fenland District Council

**FACTORIES AND** 

**OLDBURY** 

CENTRE OF WEST MEDIANDS

INDUSTRIAL BELT-

NEW UNITS

IMMEDIATELY AVAILABLE

4,000-50,000 sq. ft.

RICHARDSON DEVELOPMENTS LTD.

WORCESTER

FULLY EQUIPPED

FACTORY/WAREHOUSE

in o central recation and close to M5. 46,000 sq ft incl. 4,000 sq ft of offices plus laboratory, cantaen, atc. TO LET. Full details from. Jordan Impay & Co. 8 Market. Place, Macclesfield [0625] 81115.

WAREHOUSES

Sarah Haines Interior and Architectural

Design Specialists in office design in the City and Europe Our service includes design conception, visual and samploboards, supervision of site works and contract 18 MILNER STREET

LONDON SW3

Tel: 01-584 8825 Telex 859 424 INVESTMENTS FOR SALE

HIGH VIELD INVESTMENT: Modern Stopping Precinct. Stavery. Producing £16,800 g.z. Prior £12,000. Edward Symmons & Partners. Tel: 01-834 8454. ayaması ar purası bopolaş developmen includios namber of multina mem includios namber of multina teasms, producing good recern olas early reversions. Freehold. 5280,000 or mijot solit into individual perces. Write Box T.5196. Financial Times, 10. Cesnan Street, ECAP 45Y.

INVESTMENTS WANTED

NOR OFFICE SUIL E 01-451 7024

EC1

385485

ad Brussels

ling

ELEX: 2712

are

4. Y 38-CO1

#### INFORMATION SERVICES AND COMMUNICATIONS

General Management

This is a new post in London in a key sector of a public company. A substantial turnover is derived from the provision of specialist information services supplied to the UK sporting community and the general public.

- RESPONSIBILITY is for the general management of a business employing 375 in offices throughout the UK. Career prospects
- · A GRADUATE experienced in the successful management of a sizeable undertaking in news and information dissemination or the provision of related services is required.
- SALARY negotiable above £15,000 plus car. Preferred age around 35.

Write in complete confidence to J. B. Tonkinson as adviser to the company.

#### TYZACK & PARTNERS LTD

and EDINBURGH EH3 6AJ 10 HALLAM STREET 21 AINSLIE PLACE

### Cazenove & Co.

#### **JAPANESE** DEPARTMENT

A career opportunity exists for a senior member of a small professional team.

The ideal candidate would be between 25 and 35, preferably with knowledge of the Japanese stockmarket, with sound experience of investment analysis (or, if at the lower end of the age bracket, a chartered accountancy qualification), an ability to express ideas on paper, to act on own initiative and eventually to carry on business with investment clients.

Apply in writing to:

The Office Manager, CAZENOVE & CO. 12 Tokenhouse Yard, London, EC2R 7AN.

CONTRACTS AND TENDERS

#### General Manager M/S £15,000

#### +profit share+car

Midlands based INICIAINOS DASEO

An international cervice company le looking for a prolessional meneger with outstanding linck record in seles and merkstine. Agad 30-45 years, you should have acound manegoment expensibility, end development and implamantation of business plans. Excellant career prospects and company benefits.

Please telaphone (01-829 1844 at any time) or write in the first instance for e personal history lorm, &. C. eliver ref e.1511.

ASL Recruitment Advertising

#### ASL Recruitment Advertising 17 Stratton Street, London WIX 606 **PUBLIC NOTICES**

#### **APPOINTMENTS**

# John Gardiner joins **British Shipbuilders**

several years. In 1968 be became an executive of the Industrial Reorganisation Corporation and in 1970, he became chief execu-tive of The Laird Group.

prise Board and a member of the Government enquiry into the UK prison services. He is a non-executive director of Courtaulds, a member of the South Bank Theatre Board and a member of the Open University been appointed director and secretary of OFFICE AND ELECTRONIC MACHINES. Mr. D. G. Bradley and Mr. L. T. Smith (U.S.) have been appointed as directors.

Mr. Peter Paxton bas been appointed chairman of the Board of the £1.7bn sales CO-OPERA.
TIVE WHOLESALE SOCIETY, principal supplier to Britain's chairman continues principal supplier to Britain's 11,000 Co-op shops. He succeeds Mr. William Farrow, who has retired.

The Earl of Cremer, who is reducing his business commit-ments, bas resigned as a nonexecutive director of the PENIN- director of the Milk Marketi SULAR AND ORIENTAL STEAM Board for Northern Ireland. SULAR AND ORIENTAL STEAM NAVIGATION COMPANY. To fill the vacancies left by the resignation last September of Sir John Saunders and of Lord Cromer the P & O directors have appointed Mr. P. G. Cazalet, of the British Petroleum Company, and Mr. G. C. Hoyer Millar, of J. Sainsbury, as non-executive directors. Mr. J. F. Denhelm, a non-executive director of P & O since April 1974, has been elected a non-executive deputy chairman of the Board in addition to Sir Eric Drake.

IBM UK has appeinted Mr. J. S. McCracken as resident director Scotland and northern England succeeding Mr. D. J. N. Stirten who is returning to the company's bead office in

Mr. Michael Townson has been appointed a director of WHITE-HOUSE MOORMAN AND PART-

Frem June 1 of this year Mr. Emil Koch is to head e new department of SWISSAIR to be known as "central services and anniates" and which will include the data associated companies initially

Mr. John Gardiner has been appeinted a part-time member of the Board of BRITISH SHIP. Succeeded as bead of the BUILDERS for two years. He is chief executive of The Laird Group.

After leaving university in 1957 be jeined the Prudential Assurance Company as an economist, and in 1960 joined the Financial Times, where be wrote the "Lex." column fer several years. In 1968 be became and central purchasing departments. Mr. Koch will be succeeded as bead of the succeeded as bead of the airlina's sales and services department by Mr. Bertrand department from Mr. Jaquiery, while Swissair France will be beaded by Mr. Us Meier.

The Energy Secretary bas appeinted Dr. Robert H. Caminings an executive of the industrial Reorganisation Corporation and in 1970, he became chief executive of The Laird Group.

Mr. Gardiner has also been a non-executive director of British Airways and British Leyland, a member of the National Entermines.

Mr. M. J. Gardiner has been appointed director and secretary

The new chief executive of CBF—the Irish Livestock and Meat Board is Dr. Anthony O'Sullivan. He succeeds Mr. John Corr. Dr. O'Sullivan is currently deputy managing director of the Milk Marketing

ANTONY GIBBS AND SON, bas appointed Mr. R. R. Mead a director and Mr. K. W. Hart an assistant director. Antony Gibbs and Son manages the banking business of Antony Gibbs

ALFRED BOOTH AND COM-PANY has made the following appointments: Mr. D. C. Brown and Mr. B. Jones, both members of the parent Board, become directors of Alfred Booth Properties. Mr. A. M. M. Gossage general manager of Adfred Booth Developments is appointed to the Board Mr. A. J. Blekerstaffe, general manager of Booth Trad-ing is appointed to the Board.

Mr. Mark B. Glossop has been appointed technical director of DOWTY MECO, Worcester, a Dowty Group mining division company.

Mr. C. Rossingten has been appointed company secretary of DOWTY BOULTON PAUL. He succeeds Mr. G. A. Woolsey who m. bas retired.

Mr. Arthur Lynas Whittaker has been appointed to the Board of DAVID DIXON AND SON HOLDINGS as group marketing and sales directer.

UK OFFSHORE OPERATORS ASSOCIATION (UKOOA) have made the following appointments for 1980: president Mr. W. D. Stevens, vice-president (Eng-Stevens, vice-president (England) Mr. P. A. Tayler, vice-president (Scotisnd) Mr. R. D. Maxwell, honorary secretary Mr. J. L. Daniaud and honorary, treasurer Mr. R. D. West.

#### **Post Office** purchasing director

Mr. Clive Foxell has been ppeinted the POST OFFICE'S director of purchasing with responsibility for most of the erders placed with industry each year. He took up bis appeintment when Mr. Howard Cadwallader

Mr. Laurie W. Deane has been appointed chief manager of LLOYDS BANK SCOTLAND Mr. William S. Johnstone is to: be the new account manager,
Scottish branches.

Mr. R. A. (Dick) Cameron has . been appointed a director of BLACKWOOD HODGE GROUP; SERVICES.

Dr. Alan Gamble bas been appointed technical director of JOHNSTONE AND CUMBERS, a member of the Horsell Group.

Mr. Gerald Peoglify bas been appointed to the Board of SOUTH WEST CONSOLIDATED MINERALS, the mining sub-sidiary of Dundonian He was: managing director sod chief-executive of South Crofty until he resigned in July 1879.

Dr. Bobert A. Easton, formerly planning manager, has been appointed director of planning at the DELTA GROUP.

Mr. James B. Davidson has been elected to the Board of FRED OLSEN as group finance

Mr. Graham G. Authony has been appointed commercial director of CIGA-GEIGY PLAS-TICS AND ADDITIVES COM-PANY. He succeeds Mr. Hans B. Dürr whe has taken a senior position in the central regional services department of the parent company in Basic.

Mr. R. G. Kersey has been appointed managing director of HYDRAULIC DRILLING EQUIP-MENT in succession to Mr. L. H. Green, who becomes managing director of HUMPHREYS AND GLASGOW SERVICES. Both companies are subsidiaries of Humphreys and Glasgow.

Mr. John Jordan, a partner to PEAT, MARWICK, MITCHELL & CO., bas been appointed partner in charge of the UK tancy practice. He will control. in addition to the Birmingham office, where he is resident partner, the Manchester, Leeds and Edinburgh offices which have previously been controlled from London.

Mr. Erwin J. Rieek bas been appointed president of RAMADA EUROPE INC. Brussels.

# Director

sought by a £200m British-registered trading company to run its London office. The company forms part of a major public group.

- RESPONDING to the Managing Director whose base is in the Far East, the role will include supervision of existing London-based overseas and UK trading divisions, coordination of the company's treasury/finance function and, most important, the development of new business.
- OVERSEAS TRADING EXPERIENCE and proven success in a general ... management role are both essential requirements.
- AGE 35-45. Salary indicator up to £20,000.

Write in complete confidence to D.A. O. Davies as adviser to the group.

#### TYZACK & PARTNERS LTD

10 HALLAM STREET 21 AINSLIE PLACE

and LONDON WIN 6DJ EDINBURGH EH3 6AJ

# Assistant Company Secretary

- THE COMPANY has a familiar name and is well respected. for a range of services to industry and commerce. Turnover exceeds £,100 million.
- THE SECRETARY controls a number of internal administrative departments, in addition to statutory responsibilities, and is a member of various subsidiary boards. An Assistant Secretary is to be appointed to deputise and to administer the Company Pension Scheme.
- A YOUNG ARTS GRADUATE, qualified in accountancy but wishing to concentrate on the secretarial side of business, is likely to be preferred. Previous experience of pensions administration would be helpful but not essential.
- SALARY about £10,000. Location Central London.

Write in complete confidence to J.R.B. Drake as adviser to the company.

#### TYZACK & PARTNERS LTD

10 HALLAM STREET and LONDON WIN 6DJ and EDINBURGH EH3 6AJ

### FINANCIAL MANAGER

THE COMPANY:

C. Bosschaart Bahaer B.V., a strongly - expanding medium - sized group of companies in the field of piping, sprinkler installations and sarvice activities for the petro-chemical industry located in the Natharlands in the Rotterdam area. Turnover is approaching £8. million.

THE JOB:

To control the group's activities in the widest sense. Reporting to the chiaf exacutive, overall responsi-bility will be for the accounting eree with particular emphesis on cash management and the prompt production of financial and manage-mant information. The function includes the further dayslopment of computer-based systems.

THE CANDIDATE:

A chertered accountant, preferably under 32 years. Experience of computer-based systems and experiance in control activious are essantial. Flaxibility and a lively and practical approach are an advantage.

THE SALARY:

Salary commensurate with qualifications and experience, and in accordanca with European standards as valid on the Continent, plus excellent benefits.

RESUMES TO:

VAN ANKEN AND ESSER 16, COLEMAN STREET LONDON ECZR SAB

WE ARE LOOKING FOR COMMERCIAL AGENTS FOR SALE OF LAND AND VILLAS in magnificent urbanisation on orange-grove hillside overlooking the sea SOUTH OF CANDIA, SPAIN

Write: S.L.P. Publicité (Box 1502) 11 rue d'Uzès, 75002 PARIS (France)

#### COMPANY NOTICES

NOTICE OF RATE OF INTEREST BANQUE EXTERIEURS O'ALGERIE USSES,000.000 FLOATING RATE SERIAL NOTES OUE 1985 IN ACCORDANCE With the provisions of the Refurence Agency Agreement between Banque Extérioure d'Algerie and Citiannic N.A., dated as oil 8th Juce, 1979, notice is nereby given that are 15 to 10 interest has been that are 15 to 10 interest has been Admount payable and that the Capanist Coupon No. 21 with the U.S.8770.97 and that such amount has been computed on the actual number of days elapsed (1821, divided by S80.

By: CITIBANK, N.A., LONDON, January 11, 1980.

US612.000.000 5-10 EXTERNAL

NOTICE IS HERESY GIVEN that the 8% Preference Share TRANSFER BOOKS of the Company will be closed from the 24th to the 31K Jenuary 1980, both dates inclusive. By Greer of the Board.
71-78 Victoria Street.
Wolverhammer

**BOND DRAWING** 

PROVINCE OF MANITOSA 9% 1970:1982 UA 12,000,000 LOAN

TRAVEL

GENEVA. Basic. Zurich and Berne. Kidest range of chase flights from C UK air-ports. Brochure FALCON 01-351 2191.

COPENHAGEN TELEPHONE CO. LTO. (Klobenhavns Telefon Aktieselskab)

JAMES BEATTIE LIMITED

9%, 1970:1982
UA 12,000,000 LOAN

Bonds for the amount of UA 1.500,000
layer been drawn on December 28,
1979 in the presence of a Notary
public for redestation on Martia 16,
1980, in the presence of a Notary
public for redestation on Martia 16,
1980, in the presence of a Notary
public for redestation on Martia 16,
1980, in the public of exembourg.

# Lembaga Letrik Negara Tanah Melayu

#### National Electricity Board of the States of Malaya Bersia and Kenering Hydro-Electric Project **Electrical Equipment**

TENDERS ARE INVITED FROM MANUFACTURERS FOR THE FOLLOWING:

CONTRACT No. 5734/23 ANCILLARY ELECTRICAL EQUIPMENT Thia cootract comprises the aupply, delivery and erection of the following.

Package A: Bersia 1. Five (5) 12 kV 2000A, 50Hz, 500 MVA, 95 kV BIL minimum oil, air blast or single pressure SF, type electrically operated circuit breakers boused in sheet metal eoclosed cubicles for controlling generators and power

2. Three (3) 12 kV circuit breakers as in item 1 but rated

3. Three (3) 11000/110V, 3 phase 50 Hz potential transformer cubicles. 4. Three (3) 12 kV surge diverter cubicles. 5. Two (2) 12 kV 2000A motor operated disconnect switch

6. Three (3) sets of 12 kV, 2000A isolated phase bus assemblies for indoor and outdoor appliestioo. 7. Three (3), 11000/415V, 3 phase 50Hz, 500kVA, natural oil cooled transformers.

g. Eight (g), LV distribution boards. 9. Two (2) sets of 110V, 540 AH lead acid batteries with 10. Two (2) de distribution boards and panels.

Package A: Kenering 1. Three (3) 12 kV 3000A, 50Hz, 750MVA, 95kV BYL minimum oil, air blast or single pressure SF, type electrically operated generater circuit breakers housed in

sheet metal enclosed cubicles. 2. Three (3) 12 kV circuit breakers as in item 1, bot rated 630A. 3. Three (3) 11000/110V, 3 phase, 50Hz potentiel trans-

4. Three (3) 12 kV surge diverter cubicles. 5. Three (3) sets of 12 kV, 3000A isolated phase bus assemblies fer indeer and outdoor application.

6. Three (3) 11000/415V, 3 phase, 50Hz, 500kVA natural 7. Eight (8) LV distribution boards. 8. Two (2) sets of 110V, 540 AH lead acid batteries with battery chargers.

9. Two (2) dc distribution boards and panels. 1 Feb./80 About 1 Mar./80 Last date for receipt of application: Tender Due: About 1 July/80 Tenders will be accepted for each Contract Package

**CONTRACT No. 5734/28** REMOTE SUPERVISORY CONTROL EQUIPMENT

Thia contract comprises the supply, delivery and erection Remote Supervisory Control and Data Acquisition system for the remote cootrol of Bersia and Kenering Hydro Electric power stations from the Temengor Pewer Station

-Ooe computer based master station at Temengor. -One microprocessor controlled remete station at One microprocessor controlled remote station at

-Provision of all necessary bardware and software for mao-machine interface, control, benchboard, programming facilities, etc. ming racinities, etc.

—Provision, as an option, of software packages and additional bardware for the cascade control of Temengor,

Bersia and Kenering power stations.

—Provision of uninterrupted power supply equipment. Last date for receipt of application: About 1May/80 Tenders Due Tenderers shall be manufacturers or consortiz of manufacturers of the items described and should have had previous experience in the design, manufacture and installation of equipment having the characteristics described. Full details of manufacturers experience and their technical and financial competence must be

forwarded with their application not later than the dates listed for the receipt of application to Project Manager Bersia and Kenering Hydro-Electric Project The Shawinigan Engineering Company Limited 620 Dorchester Blvd. West Montreal, Quebec, Canada H3B 1NS

with copy to: Project Engineer Bersia and Kenering Hydro-Electric Project Hydro Electric Division 4th Floor, National Electricity Board 129 Jalan Bangsar ... P.O. Box 1003

Kuala Lumpur, Malaysia accompanied by a documentation fee of US\$250, Inter-national Bank Draft or Money Order, payable to LEMBAGA LETRIK NEGARA TANAH MELAYU, Tender Documents will be issued by: The Shawinigan Engineering Company Limited

The document fee will be refunded only to applicants not issued the tender documents. Tenders shall be delivered at the head office of LEMBAGA LETRIK NEGARA TANAH MELAYU, 129 Jalan Bangsar, Kuala Lumpur, Malaysia. The exact date and place for submission of tenders will be

LEMBAGA LETRIK NEGARA is not bound to accept any application or to accept the lowest or any tender. LEMBAGA LETRIK NEGARA is not liable for costs incurred by tenderers in preparing

وكذامن للشكل

specified in the tender documents.

# How a spirit of co-operation lit up US. electricity industry research

David Fishlock reports on the Electric Power Research Institute

exist, the acent on Three Milesland wo have forced us Invent it This remark, high technology giant by a top entive in the environment is probable distance, by particularly in EPRI was founded & Dr. ie nina more aince the U.S. Chauncey Starr, now . one aclear accidt.

Gardiner .

Mr. D. G Brake Smith (U.S.) be ted as director

Mr. D. C. ba

Alfred Boots

B. Glossopher

sent teachast

1. j. 37:10)03 de

Cossington 22-4

COLTON PAR

ir. f. A. nostgi

bur Lynas When

DOM: WAST

S is constant.

CLAN UPOCAC

· .. ... wi

st Office

chasin

ector

ne fost of

EPRI is a co-operative esearch organation, as unique and idiosynctie in its ways as . the man t U.S. electricity supply indiry recruited in 1972 to foul it. Its research mes funded by some 4,000 U.S. electricity - making privat an (two) state-owned ntilitis 1 tiny rural co-operatives organised by

ranches, its income, from a levy a electricity sales, is that of a lig rational laboratory — \$200 this year, \$232m in 1980. Alto ther it manages research programmes totalling about \$500 a year, many of them ed Mr. R. B. L. mai developments for improv-i Mr. K. W. L. mai developments for improv-recent in the ing e "social acceptability" Covin- Allony & of ctrical plants.

I main thrust is almed at ng up present-day designs fired plant by reducing emons of gases and dust, and by llaborating closely with

sco. Its landlord is the of Stanford: its

way overtes the stand-campus the world he yet in that the H Electric Power known, once dominate by Bearch Instite has achieved, aerospace activities than even very

of the most original ands in the world of advanct tech-nology and a ploneer othe fast breeder type of nucleareactor. The idea originated ith the to the nation in 197 Dr. Starr's hrief was to plun the U.S. electricity industry into high auppliers. Since huary 1973, operated by industry, for when he set up sh with a staff of just two, the payroll has grown to over 6 Chauncey Sta brought to EPRI the synaptice of a long.

EPRI the experience of a long career spent imanaging re-search. He efolished it on-management inciples which

collaboration with other to it tab the government two is, including Britain and peparint of Energy funding.

To headquarters stands coleage sought by researched. I's headquarters stands solenge sought by researchers hillside at one end of elewhr. We don't want the m Valley," south of San givernint as a client."

ment (Netherlands); May 79;

Its research contractor a separate most exciting thing that has contract for part of the work. In happened to energy in several this way he keeps his pro- decades. gramme immune from the fickleness of government funding research is on fossil-fuel genera-

EPRI is basically an organisa-tion for managing R and D. It does none of its own, he ond its role as a "think tank." Its U.S. Government's fice of contracts, however, are placed contracts, however, are placed with leading energy research washington in respect to President Nixon's energy message even offshore. For example, it is funding work by British Gas. the National Coal Board and technology; something it had ing Board in Britain. It has previously been lying to its also set up dedicated facilities,

#### Hostility

The hostility with which the big U.S. electrical suppliers — GE and Westinghouse — originhe sums up in e words "minimum bureaudy"—tight control of the es coupled with an absolute minimum of interferations and interferations of interferations and interferations are already in laurely and another manufactures. absolute minum of interferlaborating closely with thesearch itself.

Those prinles obliged him says Starr. He cites the demonstration stration superconducting producting producting producting producting statutory of energy remembers. It is also work and D—arm's length. "We fird on synthetic fuels for can turn programme round on synthetic fuels for can turn programme round on synthetic fuels for can turn programme round in a matter weeks if we have the big risk—it is unlikely that

for EPRI and become responsible for its role as a think Theosest it will permit the tank. Richard Balzhiser, one geverient to come is into a of the original team of three,

IF THE insite had not neighbours are the reserch partnership. This implies a joint is vice-president in charge of has been refocused on such risk, the acent on Three centres of Syntex, prox, management team for a project the \$200m research programme, questions as whether there utiless and we have forced Hewlett Packard and other in which each patron gives the To him, the EPRI effort is "the really is such a thing as "acid

quisitions, and above all from for some 30 per cent of its pro-the "dinosaur project"—the gramme. The main effort, how-doomed project no one knows ever, is not on new ways of burning coal, such as fluidisedbed combustion and coal gasifiers; these are technologies for the nineties, believes Balzhiser. At the moment, work is concentrating on cleaning up emis-

sions from coal-fired plants. The problem is that the U.S. Environmental Protection Agency is setting standards so high that expensive technology is required to meet them. Cur-rent designs of "scrubbers" for washing flue gases from the boiler raise "problems almost as great as those they are in-tended to solve," be alleges. His researchers estimate that 60 per cent of the cost of the latest designs of coal-fired stations is accounted for by emission control systems if the plant is des-

cent if it is for the East Coast. The division for energy analysis and environmental studies backs up the R and D on emission control by "pro-viding more basic information for other decisions," says its director, Rene Males. His team has developed close relations with the Environmental Protection Agency itself.

tined for California, and 40 per

According to Malès, EPRI has now convinced the bureau-crats that atmospheric sulpbur emissions-in the short term at least, and probably in the longer term too—are not endangering bealth. Interest

rain" and, if so, how it arises. over the North Sea-" a wonderpolicy, from congressional in tion of electricity, accounting ful laboratory"-in a fresh attempt to investigate Scandinavian charges that Britain's tall stacks are generating "acid

> Malès' division is deeply embroiled in the problem of getting the subtleties of eoergy gressmen among them. One example he offers is the concept of risk-taking. He muses upon the perennial problem of over-coming the "childlike innocence of having no risk-the world wasn't made that way."

> heyond. EPRI is working on synthetic fuels for the electricity supply industry.
>
> a \$20bn Government gramme in prospect, the nation is gripped with what Dr. Balzhiser calls "synfuels fever." But he doesn't believe that it makes any sense yet to work on synthetic oils for burnbe believes, to extract oil from sbale for this purpose. Shale yields only I barrel of oil per tonne, compared with 2.5 barrels of oil per tonne from coal. But the latter bas to be bydrogenated to make it useful

and that's the expensive step. EPRI's sights are set on coal gasification as the technology which, in closed-cycle turbine systems, could be the basis of power stations of the future. It has recently completed a successful test run on the "slag-ging gasifier" developed by

EPRI is collaborating with the CEGB in flying sensitive instruments in a Met. Office aircraft rain.

ecross to decision-makers, Conthe system is able to follow a changing demand for gas. Balzhiser baa no doubt

For the Nineties and With

British Gas at its Westfield site proving availability and safety, response to the accident: "a ing."

America's "synfuels fever" will lead to the adoption of the slagging gasifier in the U.S. for high-But EPRI's biggest synfuels project is one U.S. industry

plans to fund without U.S. Government support. Balzhiser believes that the technology most advanced at present is the Texaco gasifier. He estimates that it will cost about \$300m-\$340m to build and operate a demonstration system turning 1,000 tonnes of coal a day into medium-BTU gas for a combined cycle (gas and steam turbines) powerplant. EPRI itself has pledged \$50m—which will make the gasifier its biggest sinele project—and believes that industry will be willing to put up the rest.

Over the period 1979-83 EPRI plans to spend about 27 per cent of its R and D funds on nuclear energy, compared with a total of 44 per cent for advanced fossil fuel systems. Most of the nuclear programme is on light water reactors-im-

in Scotland, demonstrating that and reducing construction time, self-belp instrument of the

It was only because EPRI was in existence before the accident on Three Mile Island that the electricity industry was able to react relatively quickly in a co-ordinated fashion. The immediate response was to set up the Nuclear Safety Analysis Centre, with a team of 35 headed by Dr. Ed Zebroski and backed by a budget of \$3.5m for this year.

Its initial tasks included finding out precisely what bap-pened, how it happened, the Presidential commission bopes one day to bring its reactor back into operation. Its work is expected to continue for at least another year or two Next year's budget will

double to \$7.5m in the effort

to cull all the experience possible from this traumatic 'experiment." Chauncey Starr himself bas

utility industry," as be calls it. This is the Institute of Nuclear Power Operations (INPO), to be set up in Atlanta next year with a staff of 200 professionals and a budget of at least \$11m. induatry's nuclear plants-much as the health and safety directorate of the CEGB polices many of Britain's nuclear installations, independently of government's nuclear

manent new institution, dedlcated to improving constantly could be avoided in future. It the management and performprovided technical support to ance of nuclear plants, Already under Dr. Starr's guidance it reporting upon the accident; has formulated an emergency and to the hapless utility which preparedness plan and trained 70 utilities in its use. It expects to be fully operational by the middle of next year.

The big question is wbether it will bave teeth. Will its "policemen" be able to shut down a reactor if they find the kind of flaws evident in the control room on Three Mile Island? To quote the boss of one of the taken the leading role in biggest U.S. utilities "I don't stimulating another EPRI visualise a utility ever refus-

# Lanagement

summories are condensed effs of climate, culture, and in the journals of abstracts relove beliefs on motivation plished by Anbar Manage an attitudes should be recognit Publications. Readers and, and gives examples thing to consult original o inhibiting culture lader its should write to PQ petices. 23, Wembley, HA9 8DJ

Magerial Effectiveness shi in International Revi

ignorance of the computer's make its advantages more capabilities and misunderstand-apparent to small business ing of the cost/benefit aspects main reasons for Dynamics and Hazards of MBO restricted use.

Marketing and the Small Industrial Firm. D. Ford and T. P. Rowley in Management Decision (UK), Vol. 17 No 2: table)

miputer Usage by Small Euro

Examines the extent to which
the marketing concept is used
in Information and Manage by small companies and finds Examines the extent to which owner-managers more con-cerned with production than Administrative Science p. 67 (10) pages, tables) cerned with production than eligium), No 1/79; p. 1/2. Sets out to determine why with customers, unavare of the ges) more small and medium-sized value of marketing information scusses approaches to European firms don't use cominforment of public adds: puters, and conversely to inforward planning; suggests trion in develoff discover the determining factors beaucracies; argues the continuous who do; reports on a lmprove the presentation of Administrator (U.S.), May 79:

information on marketing to

Application. J. P. Muczyk in The Personnel Administrator (U.S.), May 79; p. 51 (8 Discusses shortcomings in the

144 (124 pages, chart, literature of management by objectives performance review, and identifies MBO goals, defects and disappointments; argues that many of the defects are inherent in the process itself, and auggests that joint MBO / organisational - developstrategies offer more

Describes the approach to international compensation-for skills of expatriate employees-AG to take account of the increasing reluctance of staff to take overseas assignments. Outline factors considered in determining salary ranges, special allowances for exceptional

cases, leave arrangements, non-

menetary incentives, and health

Cost-Effective Product: W. Warner in Accountancy Age (UK), August 24, 1979: p. 14 (1 page, chart, tables)

and welfare benefits.

Suggests that managers first Frerk in The Personnel levels of cost and that product and identi Administrator (U.S.), May 79: ranges can then expand to difference. levels of cost and that product and identifies major points of

justify costs; contends that if this is so, there is a danger that a reduction in product range performance, bardship and will not lead to a reduction of costs but to a re-allocation as developed by Volkswagenwerk marketing and development staff justify their costs by developing replacement products.

> Accountancy (UK), September, 1979: p. 50 (4 pages) setting process in UK and U.S. and compares the respective roles of the Accounting Stan-

Board; tabulates the pronouncewith any equivalent Inter- many their decisions about national Accounting Standards)

ing Countries: R. J. Briston in trend. The Accountant's Magazine The Social Report: H. Klooster (Scotland). August, 1979: p.325 (3 pages)

Reports growing interest UK and U.S. Standards — a among African nations in Expresses concern over Comparison: N. Blake in moving from the legalistic audit developments in "social reportcarried out by public accounting ing," already compulsory in Summarises the standards audit, concerned not only with the traditional forms of stewardship but with efficiency, benefit lished as one-sided expressions to the economy, and achievedards Committee and the ment against plans; quotes the tors, intended for consumption Financial Accounting Standards example of Egypt in creating a hy an audience which does not 3,000-stroog force of governments of hoth bodies (together ment, auditors; admits that all old hat), and not even sub-with any equivalent Intermany developing countries ject to independent audit like national Accounting Standards) would bave difficulty in building the accounts. The first "anti" up their own auditing expertise. hut warns the accounting pro- subject.

Government Andit in Develop- fession to be aware of this

in Doelmatig Bedrijfsbebeer (Netherlands), August, 1979; p.20 (3 pages, illus.; in Dutch,

France and Germany wbile still voluntary in Holland. Sees the glossies that are being pubof opinion by hoards of direcinclude the staff (for whom it's

# PAS beats all other ling systems lying down



's irredibly simple, but true. Conventional box ng les store vertically, impractical, untidy and wisting. PAS PA System stores flat efficient,

and space saving. PASPA is a system of interlocking jular units that slot and stack ether to give you perfectly bred filing and storage. Inside each module there is oice of tray types and filing hanisms. On the outside, re are large index windows a choice of seven pastel

des to clearly label and

PA System tted filing that grows with you

our code your system. And PAS is versatile in way no other system can be. The units can be used create all manner of shapes as room dividers, desks, special features. The list of applications is as endless as your imagination. We can even supply

mobile units, on castors, so that your filing can move around with you. The PAS PA System sets a whole new standard in office efficiency and versatility. Find out more. You'll be doing your company, your staff and

To: PAS PA System, Oak House, Illston, Leicester. I'd like to know more about PAS PA System.

٠,	Prease sericitie for their decisies.	-
	Name	4
1	Position	
٠į		_
۱.	Address	
. ]		

# Cut out unnecessary travelling.

There's no need to leave home for The Sunday Times. Just fill in this coupon and hand it to your newsagent.

	JNDAY TIME
Please deliverTh	ne Sunday Times every Sund
Name	
Name	
Address	

# Where subsidies are necessary

BY ANATOLE KALETSKY

dustries, few have deteriorated sion document that its comdecade as public transport. itself on having the best public operate in Central London and transport system in the western by reducing traffic congestion world, now has one of the least and pollution. But the price a reliable, and probably the most traveller is willing to pay for his expensive. The cycle of fare inpassenger numbers, continuing losses and still higher fare increases and reductions in service, is familiar to all travellers in Britain.

It was not surprising, therefore, that the brief discussion paper on the commuter services published by British Rail just before Christmas was little more than a cri de coeur, since tha railways are heading for finan-cial disaster if the present trends continue. What was surprising, however, was that even British Rail seems to have been browbeaten into accepting the economic fallacy which has been largely responsible for pushing public transport policy down the bllod alley in which it io now stuck. In its discussion paper, BR asserts without hesitation 'Ideally, income from fares should be sufficient to offset the direct costs of railway opera--and leave enough cash over to finance indirect costs and provide investment for future improvement.

In fact, since 1844, when the French Engineer and economist. Jules Dupuit, published an article called "Oo the measurement of the utility of public works." market economists have recognised that certain iodustries, including most notably the railways and roads, should be ment now provides £451m in organised in a way which does not require them to cover their posts. There are two reasons for this, at least in the ideal world to which the classical economic model of Adam Smith and his at negligible marginal cost. The successors applies. These money is given grudgingly, reasons, known to economists as reduced in almost every round "externa) effects" and "falling of public expenditure cuts and marginal costs" should he familiar to any "A" level ways must reduce their call oo

economics student. The consumption of certain economic goods may not only services and ever more ingive satisfaction to the persoo who consumes them, but may also have "external effects" on port is as much an economic other members of society, who duty of any modern governare not directly connected with orent, as protecting competition the coosumer. For instance, or regulating the money supply.

† Indicates programme in

BBC 1

News for England (except Loodon), 3.55 Play School (as

4.35 Jackanory. Tarzan, Lord of the Juogle. 5.15

5.55 Nationwide (London and

South East only).

OF ALL Britain's declining in- British Rail argues in its discusso markedly over the past muter services "benefit the whole community," by enabling London, which once prided industry and commerce to creases well above the rate of benefit which accrues to him inflation followed by dwindling personally from his train ride. If others who benefit from the "external effects" of rail travelemployers, motorists and local authorities—sabaidised tickets, everyone would he better

Grudging

The second economically sound reason for subsidising public transport is "economies of scale." Once a railway lina built and the rolling stock purchased to provide a reasonably frequent service, it is a waste of these expensive resources to set fares so high that trains run quarter-full for much of the time. The cost of carrying an extra passenger on a train with an empty seat is very small, and even the cost of sending an extra train to accommodate 500 passengars, is small in relation to the costs of maintaining the track and signalling system. But the classical economic model ohows that the most efficient use of through the market only if prices are equated to marginal

Of course successive governments have not been able to ignore these basic economic principles entirely. The Governpsssenger subsidies to British Rail, which goes some way to cover the system's £644m overheads, but leaves nothing at all for encouraging off-peak travel, public funds. This will mean excessive fare increases, cuts in efficient use of a huge national asset. Subsidising public trans-

# Royal Photographic Society looks to the West and finds an ideal home

normally seen—or indeed see themselves—as tourist attractions. But Bath believes it will bave a big new draw when the Royal Photographic Society moves its headquarters from a cramped building in London's Mayfair to Milsom Street, the most famous shopping street in the west of England.

First stage

Late next spring, in time for the Bath Festival, the society bopes to open the first stage of its £500,000 National Centre of Photography. For the public there will be an exhibition centre displaying contemporary photography and a history of photography, a lecture theatre and cinema, and a shop specialising in books on photography, reproductions, etc. Behind the "shop front" will he the society's research department, archives, data bank (linked to Bath University'o computer) and the head-quarters of the society. The society's new home will

be the Octagon, a charming 18th century proprietary chapel in which the wealthy could purwhich the wealthy could pur chapel was a chase a pew. It is now owned Astronomer-Royal,

days a year.

David Beeton, chief executive rough waters when Bath found of Bath City Council, saw his opportunity in 1976 when be heard from the vice-president of the society at a conference in Bath that the photographers wanted a new home. "I decided then and there they should come to Bath." Mr. Beeton, although not a Bathonian, is a pastmaster at public relations for the city. Not least of the appetisers be devised to whet the photographers' interest in the city was a champagne party in the hot springs.
The society grew very excited

at the prospect of realising several ambitions in one hig project. Kenneth Warr, its secretary, sees the Octagon as the Mecca for all photographers. Wa aim to make Bath the centre of photography certainly in this country, prohably in the world," The photographers were delighted to learn that the organist of the original Octagon former

LEARNED SOCIETIES are not by Bath City Council and long Herschel, discoverer of the changes—until the City Archi. salety which follows the same ing it—tak blace inde the by Bath City Council and long Herschel, discoverer of the changes—until the City Archilooked opon affectionately as a planet Uranus, whose son dis"villsge hall" for meetings, covered "hypo," the photofund-raising faurs, and so on graphic developing agent. They modern embellishments and
But Bath was losing money, for drew np this £500,000 scheme restore the Octagon to its
the sadly neglected building was for simultaneously modernisbeing hired on only about 85 ing and restoring the Octagon. Beeton won over the charities

This antimp when he arranged that they were conducts. The main display of same glass id woosn box.

At each statch appropriate the plate inde the conducts. The main display of same glass id woosn box.

At each statch appropriate the plate is oduced in the view of the viewed from the gallery.

The exhibition area length when he arranged in limitations when added the conducts. The main display of same glass id woosn box.

At each statch appropriate the viewed from the gallery.

The exhibition area length when he arranged in limitations when a local plant is a planet Uranus, whose son distinguished that they were conducts. The main display of same glass id woosn box.

At each statch appropriate the conducts and andio-visual displays—chemical is oduced in the view and andio-visual displays—chemical is oduced in the planet uranus, whose son dis
the main display of same glass id woosn box.

At each statch appropriate the proposing to remove phography—prints, project the main display of the main display But Mr. Beeton ran into

> BRITAIN

it was losing its "village hall." Ratepayers were not readily persuaded that the 100,000 visitors a year the society hopes to get-and which he thinks realistic "-justified the plan, even though at this rate it would earn Bath a small profit. lic display, encompassing both Objectors also complained about

this autumn when he arranged for them to hold their Halloween fair in his own HQ the Guildhall, and they made

much more money than ever

they had in the Octagon.

Almost unseen by the New Year sales shoppers thronging Milsom Street, restoration of the Octagon is now well advanced by a local builders. J. Long and Sons. The architect is Roy Worskett, until recently Bath's own chief architect, who has been to swch its gas lamps auto-involved in the acheme from maticay from one slide to its inception. The society has anotha so projecting a raised about half of the sequent of dissolving views of its inception. The society has raised about half of the money it needs, much of it through donations from photographic industry but nearly £50,000 from its own 7,000 members.

In order to accommodata idiosyncrasies in the old buildings involved in the conversion, Mr. Worskett bas devised an ingenious two-level area of pub-

RSC also at The Parchouse (see ander W).

AMBASSADORS. C 01.736 1171.
Evgs. 8.00. Fri. and ist. 5.30 and 8.30.
OINSOALE LANDENLISWEN WAPPORD.
OAVIO BURKE. ARSELA DOWN 10
BOOIES by James Sabders.

APOLLO THEATRE. Ct. 01.437 2663.
70°1 8.00. Tomor. 50 and 8.00. IAN
LAVENGER. TERENCE DIMONO. JULIA
FOSTER IN HAPPY ARTHDAY. Lass
peris...ends Tomor.

ARTS THEATRE. 01.83 2152. TOM
STOPPARD'S DIRTY LININ. Monday to
Thursday 8.30. Friday and Saturday 7.00
and 9.15. NOW AN ITS RURTH YEAR.
LOWOSL-DIRECT BOOK 118 LEND.
E4.00. \$3.35. 91. 55. pt. 186 tests.
members. Sat. \$4.85. \$5.5. 5.75.

ASTORIA. CC. 01.438 60.0. 01.724
4291. 01.734 4359. BEFILEMANIA.
MON. Thurs. 8.00. Fri. \$4.600 and
8.45. Reduced rate Groy bookings
01.437 8056.

Appearance.

Japan St. 8.00 and 10.0 pm.

CAMBRIDGE. 01-836 D056. Croit cards.

accopting 01-836 7040. Monlion Fri.

B.00. Thurs. 8.00. Sat. 5.00 at 8.30.

THE HIT BROADWAY MUSICALEREAT FAMILY ENTERTAINMENT. CRAGO.

Reduced prices for parties 379 5061.

836 6055. Students. Nurses. OAP standby 51.50.

COMEDY THEATRE. CC. 930 570.

THE ROCKY HORROR SHOW. tops pales 80x Office 01-379 5061. Fresione 2301.

CRITERION. 930 3216. CC booktoss 79 6563. Group ales 80x Office 01-379 d061. Fresione 2501.

2301. GROWN 930 3215. CC bookings 79
68563. Group sales 379 8061. Evs. 60
5at. 5.30 and 0.30. Thur. mat. 30.
5at. 5.30 and 0.30. Thur. mat. 30.
MALF PRICE PERFS. Mon. evs. Thr.
Mat. MEIL DIMON'S LAST OF THE 10
MOT LOYERS, Lee Montague. George
Naile. 8 ridgat Terner and Susan Engal
DRURY LANE. CC. 3. 01-838 311.
Evgs. 6.00. Mats. Wed. 3.00. Set. 54.
Evgs. 6.00. Mats. Wed. 3.00. Set. 54.
Evgs. 6.00. CHANNING 10 "MELD
DOLLY" Sets C2-58. GROUP BOOL
INGS 01-734 2298. Special price
students and OAPs.

DUCHESS. DT-836 8243. Mon. to That Evel. B.O., Frt. and Sal. 5.30 and 8.13 OH! CALCUITA! FORTUMB THEATRE. 3, CC. 01-836 223 Evs. 8.00. Frt. 6 Sal. 8.30 & 6.34 KENNETH WILLIAMS IN THE CHEER TAKING.

GARRICK CC. 01-086 4501. Evs. 0.0 (sharp). Fri. and Sat. 5.30 and 8.3 Gareth. Hunt in DEATHTRAP.

GERENWICH IN DEATHTRAN.

GLOSE THEATRE CC. 01-437 592
EVENINGS. AND ROCKERS. GOME
EVENINGS. ANTON ROCKERS.

FROM STATES. CC. 01-437 592
ANTON ROCKERS.

GLOSE THEATRE. 5. CC. 01-437 162
Half-ofice previews from Jan. 17th. 13
Night Jon. 23 at 7.00. Evgs. 8.0. Vight.
Foster. Peter Bowles. Jan Wisters in Page
History from Jan Wisters in Page
History from Jan Wisters in Page
Foster. Peter Bowles. Jan Wisters in Page
History from Jan Wisters in Page
Foster. Peter Bowles. Jan Wisters in Page
Foster. Directed by Jistory William.

GERENWICH THEATRE. CC. 850 7751.

of luminations, when needed. This area will be devoted to continporary photography.

Th gallery itself and an adjoiing corridor will be used to deplay the history of photo-grapy. This will include grapt. This will include treatres long buried in the baseient of the society in Lonen. One is a magnificent copp lantern, gas-fired, and datin from 1870. This "tri-unial (three views in one) lanter used a system of valves the san subject.

An original'

Anotha gem is what the society's chivist Arthur Gill calls "th original Polaroid camera." 's a French invention of the 850s, in which the complained the octagonal arena on the whole proces sensitising the architectural ground floor and a first-floor plate, expose it, and develop-

a charmingly strated tep-by-step guide to ng the amera.

Big quition

But for the Royal Page graphic Society big questin is, if it raises she money by finance the full heme, will's capture enough; the public instity the glay on the shop window "The Octago is in the centre obyen, midwalestern the cities history. between the city two bigges tourist attraction the Roma Baths which drawpout 750,000; a year and the Museum of Costume, 200,000 inneth Warn is confident enoug of getting 100,000 visitors a ear to pro-pose a scheme, cented by Bath City Council for increasing the rent the beity pays for the Octagon a te same rate as gross taking acrease at the Roman Bats and the Museum of Costume

David Fishlock

### Winter's stable is looking good

who has a minor pulled muscle. Although this news will come as a dicappointment to the many admirers of Rathconrath, who had hoped to see the Lambourn Champion Hurd)e prospect in action within the next week or two, Winter remains confident that the horse

RACING

BY DOMINIC WIGAN

will soon be entrenching bimself firmly at the forefront of the Cheltenham betting, Further encouragement for those believing that Rathcontrath represents by far the

Pancho VIlla" starring Telly

atable says there are no immearound 16-1 is that he io now diate plans for Rathconrath, as sound as ever in his career. This afternoon at Ascot, a gamble on the runner-up, has Uplands relies on Malcus, yet to tackle today's trip of Pardon, and Arctic Prince.

Owen Glyn was Winter's anticipated contender for the Hairy Mary handicap hurdle over three miles and it is now interesting to see the seven timeo champion trainer relies instead on Pardon. This sixyear-old son of Busted more than paid his way in the 1978-79 campaign; winning at Kempton, Newhury, and Ascot. Held up before cruising to

an effortless victory when amateur ridden over two and s balf miles on this course, 13 months ago, Pardon returned to the winner's enclosure at Sandown last time out; getting up best ante-post value for the close home to give weight and

9.00 Brian Moore Meets Niki

10.30 Soap. 11.00 The London Programme

11.45 Chopper Squad.
12.45 am Close: Richard Briers reads from 'Hil' by Norman Habel.

All IBA Regions as Londoo

ANGLIA
9.40 em The Firs end the Snow.
10.30 Fireelde Theatre. 11.20 The
George Hamitton ITV Show. 11.46
Certeon Time. 1.25 pm Anglie News.
2.45 Heuseparty. 3.15 General Hospital.
5.15 Happy Oays. 8.00 Aboul Anglis.
110.30 Friday Late Film: "Since Yeu
Went Awey." 1.30 am Wemen Who
Matter.

ATV

A.I.V
S.15 am World Laedere. 10.18
Wilkie in Winter. 10.40 Cabbages and
Kingo. 11.05 The Outsiders. 1.20 pm
ATV Newsdeck. 2.45 Fantasy Islend.
3.45 Money-Go-Round. 8.15 Happy
Osys. 8.00 ATV Today. 11.00 ATV
Newsdeck. 11.05 Feeture Film: "21
Heurs At Munich."

BORDER

10.05 am Friday Menning Movie:
"Heavens Above." 1.20 pm Serder
News, 2.45 Heuseparty, 3.15 General
Heepital. 5.15 Bailey's Bird. 3.00
Lookeround Friday, 3.30 Mr. and Mrs.
10.30 Your MP. 11.00 Friday Night

ring Stanley Baker. 12.30 am Berder

CHANNEL

1.20 Chennel Lunchtime Nows and Whet's On Where end Weether. 2.45 Friday Matines: "Mobile Two." 8.00 Report Ar 8ix. 8.25 In Search 01.
10.28 Channel Late News. 10.25 The Oenton Review. 10.55 TV Mevie Premiero. 12.40 am News and Weather in French.

GRAMPIAN

9.30 am First Thing. 9.35 The Lost Islands. 10.00 Technolash. 10.30 "Cry el the Wild." 1.20 pm Nerth News Haedlines. 12.45 Friday Mounee: "Very Importent Person," starring James Rebertson Justice. 8.00 Nerth Tonight. 8.35 Sportscell. 10.30 Points Nerth. 11.30 Raffectione. 11.35 Calebrity Cencerts (Jehnny Methis). 12.30 am North Late Night Headlines and Read and Ski Report.

and Read and Ski Report.

GRANADA

9.30 am Jesame Street. 10.30 Wild Canada. 11.15 Lick Tracy. 11.20 The Lost Ielande. 11.45 The Magic Jen. 1.20 pm Granade Reports. 2.00 Live From Two. 2.50 Mavie Premiore: Jackts Ceoper in Mobile Two. 5.15 Mr. and Mrs. 2.00 Graneds Reperts. 2.30 Kick Off. 10.30 Vegas. 11.25 Soap. 11.55 Nause of Horem: Baris Korles and Christopher Leg in "The Curse at the Crimsen Altar."

HTV

"Sends of the Kalahori," star-

looks at Operation Coun-

Lauda. 10.00 News.

WINTER'S Up)ands Champion Hurdle at odds of a beating to Boardmans Special, with Ghost Writer a close third. Pardon, whose victory foiled three mileo. However, it ahould present no problems to him on

breeding, Three runs to date have not shown Malcus to be more than a moderate hurdler. However, there is no doubt that Winter would not bother to saddle him for the opening division of the Silver Doctor Novices Hurdle were he not confident that the four-year-old has the potential to win such a competitive event.
ASCOT

1.00-Malcus\*\* 1.35—Zarzaitine 2.05—Pardon\*\*\*

2,35-Western Rose\* 3.05—Tommy Joe

Fridey Mattinee; "All For Mary." 5,15
Mr. and Mrs. 8.00 Report West. 6.30
The Muppet Shew, 7.00 Emmerdele
Ferm, 10.30 Report Extra, 11.00 The
Friday Film: "Cetter,"
HTV Cymru/Wales—As HTV General
Service except 1.20 pm Penawdau
Newyddion Y Oydd, 1.25-1.30 Report
Wales Hendlinee, 4.15-4.45 Y Fuddugolleelb, 6.00 Y Dydd, 6.15-6.30
Report Welee, 10.30-11.00 The Electric
Theatre Show.

SCOTTISH All IBA Regions as London except at the following times:—

9.30 am it Rained Three Times Lant Year. 10.20 Film: 'Seboatian,' sterning Oirt Agoarde. 11.55 The Bubbliss.

ring Girk Aggarde. 11.55 The Bubblies.
1,20 pm News and Road and Weather.
2,45 Young Ramssy. 2,45 Money-GoRound. 5.15 Mr. and Mrs. 6.00 Scelland Todey. 5.30 Emmerdale Farm.
10.30 Ways end Moons. 11.00 Late
Cell. 111.05 Late Night Movie: "The
Pleasure Girls." SOUTHERN

9.30 am Clue Club. 9.55 Coral Werld. 10.45 The Rovers. 11.10 Young Remsay. 1.20 pm Southern News. 2.45 Heuseperty. 3.15 General Hospital. 8.15 Mr. end Mra. 6.00 Oey 8y Oay. 8.00 Scento Seuth East (South East area only]. 2.30 Out of Town. 10.30 Southern News Extra. 10.35 Southern Report. 11.05 Soop. 11.35 The Late. Lote Show; "When The Heavend Fell." TYNE TEES

TYNE TEES

S.20 am The Good Word fellowed by North East Nows Hondlines. 0.30

Slors On Ico. 0.55 Animated Cleasics. 10.45 Untermed Frontier. 11.00 In A alloon Over The Alps. 11.36 The Lost Island. 1.20 pm Nerth East News and Lookareund. 12.45 Fridey Metines: "Gengways," eterring Jassia Matthews. S.15 Loverns end Shirley. 8.00 Northorn Lile. 6.25 Spertstime. 10.30 North East News Headlines. 10.35 The Fridey Night Film: "Medhouse." 12.30 am Epilogue.

ULSTER ULSTER

10.35 am Friends of Mon. 10.50 Fireeide Theatre. 11.45 8een The
Leprochaun. 1.20 pm Lunchlime. 2.45
Corroon Timo. 2.50 Fridey Mathees:
"Mebile 2." 4.13 Ulster Nowe Hoadlines. 5.18 Mr. end Mrs. 6.00 Good
Evening Ulster. 10.29 Uloter Weathor.
10.30 Sportscast. 11.00 Witness. 11.05
Friday Film: "When Have All The
People Gone?" 12.25 sm Bedtime.

13/15-TF13/ 4 D Th WESTWARD

WESTWARD

9.55 am The New Avengere. 10.45
Early One Merning. 11.10 Chopper
Squed. 12.27 pm Gus Honeybun's
Birthdays. 1.20 Westward Nowe Headlines. 2.45 Fridey Metines: "Mebile
Two," starring Jeckie Cooper. S.00
Wastward Olery. 8.30 The Weekend
Show. 8.50 Just The Job. 10.32
Westward Late News. 10.38 Oenton
Raview. 10.55 TV Movia Promiera:
"One Of Our Own," starring George
Popperd. 12.49 am Faith For Life, 12.45
Wast Country Weether, Shiping Forecest. YORKSHIRE

9.30 am Heritege, 10.20 finisy, fielsy. 10.35 Certoon Time, 10.45 Wild, Wild World of Animals, 11.70 Ceeb and Orngroup, 1,20 pm Calender Nova.
12.45 Friday Film Motinee: "Cest A
Oark Shadow." 5,15 Mork and Mindy.
5,00 Calender (Emley Moor and Belment editions). 6,35 Calender Sport.
11,00 The Friday Night Film: "Crutes

THEAR OPERA & BALLET.

COLISEUM. Credit cards 246 5258. Reservations 356 8101. ENGLISH MATIONAL OPERA. Tonight 5. Wed. 7.30: The Mayle Flink. Tonory & Tees. 7.30: A Hight in Venice. 10 and 10 series and 1

PALLADIUM. CC. 01-437 7373 THE REYNNER IS -ROOGERS AT HULL STEIN'S THE RING AND 1 also FREVIRGINIA MCRENHA. HOTHIS 01-437 2055. EVENINGS 7.30. May 6. 541. 2.45. EXTRA MATINEE BY

SAVOY THEATRE. 01-335 8038. CC 835 018. (Mon.-Fri. 10-6. LESLE FHILLIPS.) JUNE WHITFIELD. BYLVIA SYM5 and ANOREY SACIS. NOT NOW DARLING. SAC. 5.43 and JUNE THUS. 6.00. Fri. and SAC. 5.43 and Fridays. Group booking 01-437

TALK OF THE TOWN. CC. 01-734 S051.
AR COPINE TOWN. CC. 01-734 S051.
AR COPINE TOWN. CC. 01-734 S051.
AR COPINE TOWN. CR. 01-734 S051.
AR COPINE TOWN. CR. 01-734 S051.
AR COPINE TOWN. CR. 01-734 S051.
AR 15.07 OF THE MEAN BURSLY.
AR 15.07 THE MEAN BURSLY.
AR 15.07 THE MEAN BURSLY.
AR 15.00 THE MEAN BURSL

MESTMINSTER, CL 5 R24 1781, WRAM.
2.50 and R.CO. St. 2.50 and 8.30. The
Missical Theorem Company . 1058PM
AND THE AMAZING, TREVINIEGO GUA
AND THE AMAZING, TREVINIEGO GUA
AND THE AMAZING, TREVINIEGO GUA
AND THE AMAZING. THE AND AMAZING.

11.00. 2: TIME AFTER TIME (AA). . & Stat. 2.00, 5.00, 5.00.

PRI CHARLES, Leic. Sq. 43 DB1.
W. Première Presentation NIGHT
22 (X). Sac. Peris. Div. (I. Sn.).
Lecow Nightly 11.13. Seateskin.
Liciar.

12.5.25.5.15.7.55. Lie. Shw 11.
and 10.40.
4: Ani(X). Pross. 1.05. 3.35.6.0.
51.001. 1 and 4. Oxford Gircus 4.
12.15. PTER TIME (AA).
10.55.35.20. 8.05. Lie. Show 9.
11.10.55.35.20. 8.05. Lie. Show 9.
13.11MBCA HUNTER (X). 12.45. 4.0
14.405.158. NOW (XI. Sco. Per Div. 1.405.158. NOW (XI. Sco. Per Div. 1.405.158

SANDFORD GALLEN CAT Garden,
1. Mercer Street, one 3r. WC2.
Mon-Sal. 11-6. New ear Transporary
tile art sale intil 22 on.

**CLUBS** 

EVE has outlived the obers tuve of a policy of lair may and rather money. Supper Wen 10-3.30 m, 16 and the musicians, plannous bate, exciting floor shows, 185, Resett San 0557.

GARCOYLE 59 Dear Scientidos, W1.

NEW STRIPTEASE FLORINGW

18.5 YOU LIFE !

11-2.30 am, Bhows at Midhajand 1 am, Mon-Fri. Closed Saturdays, 137 8455.

6.00

1250

19.50

23:00 1700

### 2d JANUARY, 1980

Premium postons available

(Minimum size & column cms.)

22.00 per single lumn cm. extra

For further decits write to

Classified Advertisment Manager

ACROSS 1 The lot getting past gravity excited . 5 . . . swindler responsible for

transplant (7) 9 Pray at home for Middle 7 Upbraid old Boh getting in East leader (5) 10 See how fast creature is giving present (4, 5)

11 Article engioeers take on 14 New Year bonour is going immediately afterwards (9) to a northern church with immediately afterwards (9) 12 Child needs a pound to com-13 ... part of Ireland sounding cunning on leave (5)

15 Fully occupied in being ex- 17 High-hat catches fine (5, 4) pressed in legal form (9) 18 About to get in habit of being corrected (9) 19 Exclusive southern trading association (5) 21 Beauty of victory in Europe

by students' union (5) 23 Soldier with some hesitation joins predatory vessel (9) 25 Irritate party attached to horder (3, 2, 4) 26 Very proper oriental chief

in a nail-biting way (7) 28 Outstanding champion boxer

27 Sent incorrectly to cathedral

evergreen (7)

posted outside (7)

DOWN

1 A right objection to useless

property (7)

2 Convict at back of trail. 3 Information that is provided by supernatural spirit (5)
4 Obtained circular papers to

be printed (2, 2, 5)

9.00 News.

12.45 pm News, 1.00 Pebble Mill at One. L45 Mister Men. 3.20 Pohol y Cwm. 3.53 Regional Liza Minnelli. as follows:—
Wales—1.45-3.00 pm Cwmtigili. Grange Hill. 5.35 The Perishers. 5.55-6.20 Wales Today. 7.00 5.40 News. Heddiw. 7.30 Antur I'r Andes.

All Regions as BBC 1 except 8.00-8.30 My Wife Next Door. 10.15 Music Makers 11.00 News

5 Urchin spends morning in

6 A doctor (with it) promises

8 Beer upset newsman when

16 Faint-feeling soldier takes

18 Can it be the parson to stay with again? (7)

20 Sign for future wine with

23 Two old coppers enter salary

24 A biblical letter writer

No. 4,170

DECREE SEDIMENT
ORTHRRA A
LOOKEROW APPEAL
E S L S L A L
DISCLOSE REPLAY

heard with dismay (5) SOLUTION TO PUZZLE

ten ingredients (7) 22 Impracticable either way

of Irisbman (5)

divina over one Scots lock

to pay for seeking distinction

strong drink (5)

due deference (9)

tangle (5)

9.00 News.
9.25 The Assassination Run.
10.15 Points of View (Londoo and South East only).
10.20 The Burns and Allen Show (Londoo and South East only).
10.25 The Assassination Run.
10.25 Spectrum.
10.25 Spec

8.00 My Wife Next Door. 8.30 Fraccis Durbridge pre-sents "Breakaway." Savalas. 12.30 am Weather for Wales. Scotland—12.40-12.45 pm The Scottish News. 1.00-1.30 Cearcall.

10.45 Regional, National News.

"I Don't Want the Moon and the 10.50 The Late Film: "The Stars" (play). 10.45-10.50 Sterile Cuckoo" starring Regional, National News. England-5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingbam);

Points West (Bristol); South Today (Southampton): Spotlight South West (Plymouth). 10.15-19.45 East (Norwich) The East Anglians: Midlands (Birming-ham) Midlands Tonight; North (Leeds) The Comics; North East

F.T. CROSSWORD PUZZLE No. 4.171

(Newcastle) Coast to Coast; North West (Manchester) Unlucky For Some?; South (Southampton) The Entertainers: South West (Plymouth) Summer Serenade: West (Bristol) Journey Back. BBC 2

11.00 am Play School. †5.35 Flash Gordon Conquers the Universe. 5.55 Newsround Africa.

6.25 Monkey. 7.05 Delia Smith's Cookery Course.
7.30 Mid-Evening News. 7.35 In the Country. 8.00 Jethro Tuli and Ian

Anderson. 9.00 Pot Black SO. 9.25 loternational Pro-Cele-

brity Golf.

10.15 Sacha starring Sacha
Distel. 10.55 Late News. 11.10 The Old Grey Whiatle

Test.

LONDON 9.30 am The Search for the Persian Royal Road. 10.20 "Wild and Woolly." 11.55 The Bubblies. 12.00 Song Book. 12.10 pm Once Upon a Time. 12.30 Simply Sew-

ing. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. †2.45 Friday Matinee: "Conflict Of Wings." 4.15 The Flockton Flyer. 4.45 Magpie, 5.18 Emmerdale Farm. 5.45 News.

6.00 Thames News. 6.30 Thames Sport. 7.00 The Muppet Show. 8.30 A Sharp Intake of Breath.

. (8) Stereophonic Broadcast # Medium Wave

RADIO 1

RADIO 2

10.79 am Kum Kum. 10.35 "Les Sylphides," performsd by Ihs Naw Zegland Ballel Company. 11.00 The Life and Times of Grizzly Adams. 11.50 Larry the Lamb in Toytown. 1.20 pm Roport West Hoodlings. 12.45 The 5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Surnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen, 5.30 Newsbest. 5.45 Reundtubls. 7.30 Anne Nightingals. 2:50 Newsbest. 19.00 The Fridny Rock Show (Sl. 12.00-5.00 am As Radio 2.

RADIO 4

RADIO 2
5.00 am News Summary, 5.03 Steve
Jones (S). 7.32 Torry Wogen (&).
10.03 Jiminly Young (S). 12.15 pm
Weggenera Wolk. 12.30 Pere Merray's
Open House (S). 2.15 Ray Moore (S).
4.15 Minch More Music (S]. 5.06
Wanggenera Yalk. 5.20 Johe Duen (S).
6.45 Sports Oask. 7.02 Liston Te Les
IS]. 7.30 Fieste De Oorns (S). 8.02
Fridgy Night In Music Night (S). 9.55
Sports Oask. 10.02 Baro Oanco. 11.02
Brain Matthew with Round Midnight,
including 12.00 News. 2.03-6.00 am
Yeu and Inh Night and the Music (S]. RADIO 4

6.00 am Nows Brisling. 6.10 Farming Today. 6.25 Shipping forecast. 5.30 Today. 8.45 The Great Relivary Bazeer. 9.00 News. 9.05 Desert Island Discs. 9.45 Enquire Within. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Only Service. 10.45 The Aridae of San Luio Ray. 11.00 Nows. 11.05 The Odd Couple—Parliament and the 88C. 11.50 Bird et the Week. 12.00 News. 12.02 pm Yeu and Yeurs. 12.27 My Music (8). 12.55 Weather; programme news. 1.00 The Werld At One. 1.40 The Archers. 1.55 Ohipping Ioracast. 2.00 Nows. 2.02 Woman's Hour Irom Bristol. 3.00 News. 3.02 Listan With Mother. 3.15 Alternoon KADJU 3
6.55 am Waather. 7.00 News. 7.05
Overture (\$] 8.00 News. 8.05 Morning Concert (\$). 9.00 News. 9.05
This Week's Composer: Sartek (\$].
10.00 88C Northern Ireland Orchestre
(\$] 10.45 Young Artists Recall (\$).
11.40 London Sexephone Quertet (\$).

12.10 pm Middey Concert part 1 (S).

1.00 News. 1.05 Middey Concert part 2 (S). 1.50 The Arts Worldwido.
2.10 The Music al Slevokie (S). 3.10 Cohen Trio (S). 3.55 Comparing Notes (S). 4.55 News. 5.00 Msmly For Pleasure (S). 7.10 One Peir 01 Pick of the Week (6). 8.10 Profile. Ears. 7.25 Play It Again (S). 7.30 8.30 Any Quostions 7 9.15 Letter From Tippatt and Beethoven concert, part 1 (S). 7.55 Sweet Compulsion. 8.15 Weether. 10.00 The World Tonight. Concert, part 2 (S). 9.10 Sol Ploatio (S). 1.056 Week Ending (S). 1.10 A 3cok (S). 1.000 Rozhdostvensky and the 38C Symphony Orchestra play Prokofiev. 11.00 Wegner's "Gotter-dommerung" (talk by John Culehew). BBC Radio London

London Broadcasting

6.00 am AM with 80b Helnose and Oougles Camoron. 10.00 The Brian Heyes Bhow. 12.00 LaC Reports. 8.00 Nightline with Good Sima. 12.00 LaC Reports Midnight, 12.30 am Octision Mokers. 1.00 am Night Extre with Huph Williams 5.00 Morning Music

HAYMA2KET. CC. 01-020 9932. Evenings 0.00. Wed. 2.30. Sat. 4.30 and 8.00. Gerald Harper, Kete O'Mara in the Sheriock Holmes Mystery The CRUCIPER OF \$1.000 by Paul Glovanil. OF BLOOD by Paul Glovanni.
HER MALESTY'S. CC. 01-030 6506.
Evenings 6.00. Sat. 2.00 and 8.00.
NICKY HENSON. TERENCE PRISBY,
JOSEPHINE TEWSON. ANDREW
ROBERTSON and DORA 32YAN in
ROOKERY NOOK, the hillstore fared by
SEN TRAVERS. Director by FRANCOUNLOP, Children half price mals. GrogoSales 01-379 6061 or Freephone 2281
KING'S NEAD, 01-225 1916. Disence 2 no. Sales 01-379 5061 or Freephone 2381.

KING'S NEAD, 01-225 1916. Oinner 7.00

Show 8.00. NASHPILLE NEW YORK.
Yorse by Opden Nash. Devised By Robert

Cushman, Last Week.

LYAIC HAMMERSMITH. 01-741 2311.

Mon. to Sat. 7.30. mars. inter. 6 Sat.

2.30. Sandy Wilson's

LYAIC STUDIO: Tue. te Sun. 2, Sats.

5.30 & 8.30. CSTY DELIGHTS. A new
LYTC revue. S.00 am An Radie 2. 6.30 Rush Hour. 10.03 The Rebbie Vincent Telephone Programmy. 1.03 pm London Live. 3.03 Showcase. 4.30 London Nows Onsk. 8.35 Lonk, Step. Liston. 7.03 Shoek Londonorn. 8.00 The Extra Ordinory Level Show. 2.15-5.00 sm Jein Radio 2. 5.30 & 8.30. CITY DELIGHTS. A new Lytic revue. LYRIC THEATRE. CC. 01-437 3696. Grb. Sales 379 5061. Eves. 8.00. Wed. 3.00. Sat. 5.00 and 8.00. RICHARO BRIESE, PAUL. EOGUNGTON IN MIDDLE AGE SPREAD. COMFOY OF THE YEAR. WEST ENO THEATRE AWAROS.

MATIONAL THEATRE, 5". CC. 928 2252.
GLIVIER (open sisve): Tan't 7.30. Tomor.
2.45 & 7.30 UNDISCOVERED COUNTRY
by Arthur Schnizer in a version by Tom
stoppard (miss end 31 Jan., extra per/
20 Jan.
LYTTELTON toruschium stage): Tom't
7.45. Tomor. 3.00 & 7.45 DEATH OF A
SALESMAN by Arthur Miller.
COTTESLOE (small stediorium; all \$2.50.
Stoden! Standby \$1.20): Eugene O'Neill
Sesson. Tom't & Tomor. 8.00 THE LONG
VOYAGE NOME.

ROYAL COURT, S. CC. 730 174S. For B
Peris. Only, From Sat. Fes. 8. Oxford
GOOD MAN by Howard Barker.
ROYALTY THEATRE. 01-403 B0014. Upril
January 12. Mat. peris. at 2.00. Extra
Peri. Sat. 5.00. David Wood's
Jamily Teal The GINGERBEAD MAN
Starring BERNARO CREBINS. Easy parking. Restaurant With Children's menn.
Restaurant Reservations 403 2418.
REGEREES THEATRE.

Connercial and Industria Property Resential Property Appintments: Eusiess & Investment Opportunities, Coloration Loans, Producton Capacity, Burpesses for Sale/Wante 7.00 Elucaion, Personal, Gardenii Motor Cars Hiteistod Travel Contrats and Tenders Box Ablishers

Phancial Times, 10 Campa Street, ECAP 4E

هكذامن للديمل

#### THE ARTS

Elizabeth Hall

e glass lare

tach stat wo mical is the core swist one

blate. It good

phic Society and it is reises about the full her full her

the centre of th

the rem the design of the Octagon of Costum

wid Fishlod

ATCAL PRINTED

NO ALL STATE

----

A-755 PM 4-15

CLUBS

# Tippett at 75 by RONALD CRICHTON

Sir Michael Tippett was 75 clinded by brief fragments of combination of violin, cello, the bee sucks." on January 2. A hall full of music, sparing but telling, com- hass clarinet, trumpet, percusmusicians and musical people pressed in a way unusual with sion and plane might prove to ducted by Del Mar the Fantasia greeted him with affection on this open-handed composer, when the making much out of little. He has said "Nawadays f am disin-made their contribution to the chined to 'destroy' the verbal and their contribution to the chined to 'destroy' the verbal made their contributions. celebrations. Tippett himself music of any real poetry by conducted the Concerto for instrumental or vocal music and Double String Orchestra as a fit- prefer to manufacture ting finale: Norman Del Mar was scenario of words myself." in charge of the remainder. Though we are promised a new tude to opera texts and on his work—a Triple Concerto for abstinate decision to write his giring trio and orchestra—in the own (and also; surely, implies autumn, the "world premiere" in a rather cavaller way of look-Wednesday's concert was in fact ing at good librettos of the the first public hearing of a piece past). Is it too late to hope for broadcast by the BBC in 1960—further experiments in this field Words for Music Perhaps.

poems by Yeats from the collector of melodrama—spoken words tion of that name and also from accompanied by music? One or

Mayerling

by CLEMENT CRISP

-David Wall's performance as

Crown Prince Rudolf in Mayerling, on that hallet's return to

the repertory on Wednesday, seemed to me hetter than ever

pefore. After a period of injury, Wall is hack on his best tech-

nical form, the flow of the dance rich, strong entirely expressive.

More significant in this instance

his portrayel of Rudolf has

galned in intensity: the develop-

ment of the character stated

with unerring precision, the

n roonised and broken despair

magnificent in its Inevitability

es in its power to touch our

feelings at every moment. The

fevered- priety, the corrading

Ordinal fixation, the flaring

sevuality, are exactly ahown:

never once do we doubt how. Rudolf suffers, nor why.

Even in this beautiful inter-

pretation, certain passages are

of especial potency; the inter-

progress from nevrotic youth

**Covent Garden** 

That throws light on his attiand for new adventures in the The words in question are disputable but interesting genre

The speaker on this occasion For the original speaker, but there is presum-

Of the orchestral works con-Concertante on a theme of Corelli glowed with rich life | The Amityville Horror (X) was the admirable Michael Andante-Adaguo pages before the end. Not every tendrilly hroadeast one male and two line was absolutely clear but female voices were used: many of the poems demand a woman "Sellinger's Round" Divertimeoto on the other hand was ahly no reason wby the sexless abort of the Stravinskyan crispconvention of Lieder recitals ness that so curiously and effecshould not apply. The scheme tively combines with the more of works for chamber orchestra homespun aspect (the work was and smaller groups also in- written for Paul Sacher-what cluded the Songs for Ariel writ- cao the Swiss have made of all ten for an Old Vic Tempest in those English musical allu-1962, presumably before sions?). The ECO produced 1962, presumably before sions?). The ECO produced Tippett's feelings about not destroying poetry had taken deep root. The first two did not of the Double Concerto. He and A Woman Torung and Old. Tiptwo of the Yests poems just lie well for the talented tenor they did justice to the brimming pett uses a speaking voice (or overlap with the instruments, voices) and five instrumentalists. but only just; not long enough The poems are not "set" but are to show what difficult bedintroduced, linked and confellings for a speaker Tippett's did out fully work until "Where melody.



David Wall and Wendy Ellis

view with his mother (taken sensual Mary; all were dance family tensions is beld by Wall with Lesley Collier's highly during the preceding scene of great dance artistry.

In a fine company perwith a fine-drawn unease by acting of the grandest calibre. in one loog frozen pose of formance mention must also be Most telling as testimony to grief, of tears unsbed, of made of Merle Park's connight assault, upon his bride Wall's stature, his immobility unendurable pain of spirit. His tinuing flawless playing as (Wendy Ellis, as ever a most during . Katherina Schratt's tense, unmoving hody is, per- Larisch. About the production pathetic victim); the final scene song. A mood established haps ironically, a tribute to itself, much to say after major east changes next week.

Frankfurt Schauspielhaus

# Don Carlos by RONALD HOLLOWAY

Carlos on Christmas Day at the Frankfurt Schauspielhaus fulsecond production the next day sixteenth-century in Stuttgart, already amounts to Spanish court). a cultural event—something like Wagner's Parciful at the npera on Good Friday or Easter Sunday But when Peter Palitzsch bades farewell to Frankfurt with Don Carlos after a decade as artistic director. while Hansgünther Heyme npens with Schiller his tenure as Stuttgart Intendant, then it's also a special occasion for critics to sharpen their pens and first-

vision and an ensemble's 1805, the year of the play-artistic range. Don Carlos wright's death—the German maintains a position in German Classics are definitely "in." classic repertory similar to Hamlet: not only are the central title-figures alike in temperament and cursed by destiny. but famous actors who have measured their careers by per- expects at a major subsi- beart-broken son, Don Carlos.

Gustaff Grundgen's Philip in his nwn production of Don Carlos at the Hamburg Schausplelhaus in 1962 (his last stage role before bis death) left little legendary productions were by Max Reinhardt, Leopold Jessner. and Fritz Knrtner. And now that we are entering upon the elghties with those demanding nighters to refresben their 200th anniversaries of several nemories. Schiller production — Don Schiller is Germany's Shake Carlos, for instance, was begun peare—the test of a director's in 1782 and still reworked in

Schiller's Don Prince are liable to crown their moments could be treasured: the idealistic Marquis von Posa ristmax Day at the last years with the role of the Posa's dignified and quietly de Carlos's hoyhood friend and brooding, tragic King Philip II livered speeches, and the manlowed on the schedule by a (a kind of aged Hamlet in a ner in which Elisaheth (Verena noble gentlemen.

.The time will surely came in the new decade when Don Carlos passes this "warm-up" phase to achieve another mileof the German theatre." Other stone in German theatre. It's worth waiting for.

The theatregoer is an obvious heneficiary. But a Schiller Renaissance is also a boon for actors and ensembles. Don Carlos rons a full six hours, requires two successive even-ings (if Heyme's treatment of Goethe's Faust, Port Two, is any indication of current theatrical reverence for the classics). Further, the three male roles-Schiller without pomp and the autocratic Philip, King of pathos is like chewing on dry Spain (at th etime of the bread at Christmas-nourish Spanish Armada and New World ing, but hardly the feast one conquests); his passionate and

champion of freedom-of-thought -require larger-than-life figures haroone Buss) convincingly atole a upon cavernous Sprechbühmen scene as a French lady know- to win an audience for Schiller ingly loved nr admired by three an dhis Tltan Tug-of-War classic The female roles, Elisabeth von Valois (the atepmother) and the Princzessin von Eboli, are not bad either, nor are Alba and Domingo an dthe Grand Inqui-

Palitzsch opted for a onenight, slashed three-and-a-halfhour production, by-passing the is becoming increasingly de-usual lyric, poetic version for centralised. The Réunion des usual lyrlc. poetic version for the simpler, less demanding prose one. Both staging and costuming (Christian Göhl) reduced the essentials to an lronic comment n na courtly intrigue, using dark lighting, panelled rooms, and brooding El Greco paintings to convey the dark side of the story. Peter Roggisch as the King wears puritan black, Friedrich Karl Praetorius as the Infant, Don Carlos, a gaudy fop's outfit, and Hans-Christian Rudolph as Posa formances of the Melanchuly sidised theatre-institution. Still, in love with his stepmother; and the dress of an austere knight.

Wigmore Hall

### Nash Ensemble

Wednesday's recital was the penultimate in the current Nash Ensemble series of six

The feeling of well-meaning that Mr. Brown's rbythmically limpness it is probably quite invertebrate, bass - deprived unfair to associate it with lan eccompaniments were little Brown who appeared in every work either as pianist or conductor - was commensurately still a sore disappointment, ess forgivable in the less especially as the voice is the familiar music; chances of right sort for Faure. In the playing and singing chamber number of verbal slips and misworks of Milbaud and Poulenc pronunciations, and in the (also the latter's short cycle singer's close relationship with Le Bestiaire) and Fauré's very his music stand, there was last song cycle to a decent-sized evidence that Mr. Roberts's audience do not come very acquaintance with the Poulenc often, and demand to be seized and Faore has not been of long

jour and his great, wise, beautiful utterance of old age. reperfory, lately neglected—though Wexford Festival sucperhaps his almost complete missed with a caution. Granted help; the skimming of the vocal lines, bland and careless, was storms shame).

MAX LOPPERT

Cinema

# Hot-gospelling Huston

by NIGEL ANDREWS

Wise Blood (AA) Camden Plaza London Pavilion

Time After Time (AA) Warner West End. Studio Oxford Circus, ABCs Shaftesbury Avenue, Fulham Road and Bayswater

Goodoess knows Cellic twilight regeneralive in Eire, but he keeps jumping up from what should be honorable retirement—at age 73—and thrilling us with a masterpiece. It's only seven years since he rising up from a cindery phase in his career and giving us Fat City. Now he presents Wise Blood. and this irreligious allegory is about the nearest thing to an frish-American masterpiece since The Iceman Conveth.

Young Hazel Motes (Brad Dourif) is our hero: lean. narrow-eyed: cnming straight from the army and rather less than straight indeed substantially warped from the hellfire upbringing he received from his hot-gospelling grandfather (played in whiskers and flashbacks hy Huston bimself). Adrift in the small-town Deep South, he starts to eatharsise the memory of that spirltually hollied childhood by inaugurating and preachine his own religious sect — "The Church of the Truth without Jesus Christ."

Inter-sectarian passions flare, invective abounds, and caught in the crossfire between Dourif's creed and the town's more orthodox Bible-beaters are a blind street preacher (Harry Dean Stanton), his toothy, flirtatious daughter (Amy Wright) who falls for Dourif, and an eccentric, heller-skelter boy (Daniel Shor) who insists on supplying the New Atheism with a dubious idol—to wit, a mummified ape -stolen from the local museum.

Traglcomic religious parables in 1980? Do we really need them? Yes, when they are as resonant, funny and straight-tothe-bone as Wise Blood, Huston as taken Flannery O'Connor's 1952 novel of the same name and paid it the tribute of high fidelity and high vitality. The film winds a marvellously macabre course from " straight religious satire to a demonically offbeat climax in which Dourif, having become for the townspeople almost the very object of his original messianic scorn—a ready-to-band Christ figureholes up in a dingy rooming-house and is shuttled tormeniedly between the predatory when hats were pulled down desires of the preacher's over brows, and when a Mani-

Theatre des Arts, Rouen

judge from the regular, in-

what most people grow up with. In France, as in Britain, opera

Theatres Lyriques municipaux

tAssociation of municipal opera

honses! groups a fistful of the

main regional cities in a net-

work in which co-productions

shared by neighbouring towns

are not uncommon — much as Welsh National and Scottiah Opera are sharing their Janacek

stagings. France has one advan-

tage denied to us: a number of

handsome town theatres, some

dating back two centuries or

more, several of them buildings

placed in the European way -

not in a side street but on a

The financial structure of the

Association is complicated. Most

of the public subsidies, as I

understand the situation, come

from municipal, not national,

funds. The national contribu-tion is variable and discre-

tional: a panel of experts from

the relevant Ministry in Paris

travels round to assess the

quality and deserts of the theatres concerned. Roueo, the

recently been top of the league.

hear Lalo's Le Roi d'Ys. once

a stanle of the French romantic

commanding, central aite.

architectural distinction.

season performances which are

Le Roi d'Ys

by RONALD CRICHTON

Festivals are an uncertain Zennaro was impersonal to the

guide to the true state of a point of ineffectiveness - no

country's operatic health. Better attempt to interpret the story



ends up, and in what near-terminal state, let the film itself

If Dastoevsky bad been Irlsh, he might have written like Miss O'Connor, or made films like Mr. Huston. The movie pur-veys a sense of humour as black as pitch, as sulphurous and effervescent as hrimstone. The subplot with the ape-stealing boy is virtually a plot in Its own right; hringlog a topsyturvy Darwinism to the film's melting-pot of religious allu-sions and confusions, and hoasting a hilarious episode when The Great Googa," film slar extraordinary, comes to town to promote his latest ape extrava-ganza, and the boy steals Gonga's gorilla sult to go on a

the streets. Huston's direction is as lean. hungry and incisive as anything he has done since The Maltese Folcon. Indeed the film seems designedly to hark back to those good old film noir days when deep-focus photography ruled.

fushionable tricks. The overture

-quite a long one-was-played

welcome detail apart, positive virtues were scarce. Soloists

semaphored in the old way. The

just stond, apparently equally oblivious at the climax to the

threat of mass-drowning by the

flooding sea or to the people's last-minute salvation through

the sacrificial auicide of the

king's wicked daugbler, whose

jealousy so nearly provoked a

Pierre Ethuin conducted, start-

ing each of the three acts with

a cut-and-thrust that promised

catastrophe

chnrus for the most

coolly terrorist progress through

daughler and of his pririeot chean extremism hetween Good landlady (Mary Nell Sanla-eroce). With which of them be is really a gangster fil mabout religion. The same adrenalin flows the same rivalries flare, but it's not hotleg liquor or shady property deals that everyope's scrambling over, it's hootleg religion and charlatanism of the soul. Wise Blond has more ideas bursting to climb out of it than any ten average movies off the commercialcinema assembly-line. Book now to see, learn and relish.

"I like to refer to this as a fixer-up that can be fun." Uh-oh. We've come to recognise those Famous Last Words in Hollywood movies, haven't we? Pamous First Words, as in this instance. The fun-promising fixer-up is a ramsbackle hause by a sinister lake, the speaker is the estate agent anxiously try-ing to sell it, the objects of her hard-sell campaign are an all-American couple (James Brolin and Margot Kidder) about to move in with their all-American trio of children, and the film is The Amityville Horror.

RC priests doing their politest, wit and amighility to leaven the best in shoo the family away ino-doughy and strenuous con-

cumbent Evil Spirits, hatched there by a brutal murder the year hefore, up and at them. Chief priest is Rod Steiger, who after a brief early visit during which he is viciously attacked hy flies keeps trying to telephone warnings to the bapless family. But there's a deafening Satanic crackle on the line . . .

Things atart to get nasty in earnest at 3.15 am, the bour of the murder: hallucinations, violeoce, bumps-in-the-oight. 'Ere long the loo is hubbling uninvitingly with black treacle, the walls are dripping blood and Harry the dog has disenvered a tuncel to Hell in the basement. The small-ad adver-lisement for this house must bave made riveting reading.

It's all fearful nonseose, of course, though based on an allegedly true story, and it's directed with urgent ebullience by Stuart Rosenberg, as if trying to keep one pace ahead of the imbecilities. Sandor Stern wrote the screenplay, from a bonk by Jay Anson, and at the end all the characters are still alive for a sequel. You have heen warned.

Time After Time is based on one of those omnilwhimsical, "wouldn't-it-be-fun-if" ideaa that are sometimes best scotched at conception, Sometimes, though, as here, they get by on a saving sliver of charm. Wouldn't it be fun if H, G. Wells and Jack the Ripper were spirited from Victorian London to 1980s San Francisco in H. G.'s time-machine? All it needs is for the Ripper (alias David Warner) to be unmasked at an 1890s dinner party chez Mr. Wells and to fiee to the basement where the writer's very own time machine, squatting and purring like a large Art Nouveau cat, is waiting. The time machine boomerangs back after it has deposited J. Ripper in modern California and Wells, alias Malcolm McDowell, sets off in pursuit across the decades and the

Ooce in San Francisco writer director Nicholas Meyer doesn't quite know how to play the jongleur with the film's components: keeping the chase plot twirling while also tossing up the acachronistic hilarity of Wells encountering the 20th century. He drives his first mntor-car. he eats his first "Big Mac" in Macdonalds). To con-found profusion further, there is a love story involving pretty hank clerk Mary (Gnin' Snuth) Steeohurgen, who charms McDowell with her raven locks Inside the house, of cnurse, McDowell with her raven locks lurks the Antichrist. Outside and ber willow-warhler voice, there are frequent thunder. But the film crosses its fingers, storms and scattered showers, trusts to luck, and mostly gets And downtown there is a beyy of it: there's enough throwaway from the buse before the in- trivance of the plot premise.

# PLG Young Artists-3

by DOMINIC GILL

It was not difficult in predict that Tuesday evening's com-bination of performing flair would be difficult to maich during the rest of the Park Lane Group's Young Artists and 20th-century Music week. The third coocert of the series the following night retreated to a standard a little nearer normal -which is to say a decent evening, well planned and well executed, with points both high

The programme was shared by a young piano duo, Jacelyn Abbott and Richard Mapp (h.1954, 1953), and the trambonist Mark Hamlyn (b.1958). The pianists' most substantial offering was Stravinsky's offering was arrangement for duet of his liant virtuoso essay that conjures up vividly the colnurs land hard, glittering hones) of the nrchestral score. But they also gave, very capably, the Introduction and Randa alla Burlesco for two pianos of Benjamin Britten (who is, with sub-Shustakovich inspiration. Interludes arranged from his theatrical sense.

festival anthem The Covenant of the Ruinbore unspecial but

Mark Hamlyn played Berio's Sequenca V for soln trombone (we had heard the oboe Sequenco the day before); and gave the premiere of Barry Anderson's Sound the tucket sononce and the note to mount for trombone and two-channel tape-a rather old-fashioned recipe of noise and burble, 10 minutes long, that made no strong impression.

trombonist: but he is (like most musicians, until they come to lerms with the problem) a (h. 1957) Pickles is a solo funpiece that "tries to capture Petrushka ballet music-a bril- aomething of the style and spirit of the great Jazz Trombonists of the past." It certainly did nothing of that-nor would have provoked the slightest stirring of Jack Teagarden, Kid Ory or Tommy Dorsey in their graves, so feeble was the jazz element. Worst of all. Mr. Gordon Crosse, one of the two Hamlyn's delivery was awkward "resident composers" of the and gauche; and there is nothweekl—though the piece itself ing olore unfunny, and unfun, is really second-rate Britten, a than funny music that tries too clever mix of sub-Prokofiev and hard, delivered by a performer without an ounce of theatrical and Crosse's little pair of preparation or a grain of

#### HOW TO INVEST IN OIL-RICH MEXICO

MEXICAN BUSINESS AND INVESTMENT is THE one advisory publication that you must have to make the right decisions about Mexico.

In 1979 our model Mexican stock portfolio grew 91.9% and our in-depth advisory reports guided readers to unusual opportunities. Published twice-monthly (since 1966) for bankers, investors and executives in over 20 countries. Write today and receive free our "1980 Mexican Investment Strategy Report."

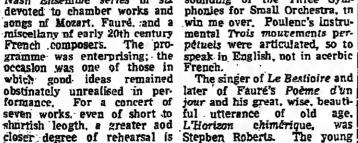
Mexican Business and Investment Referma 398 (203), Mexico 6, D.F., Mexico

A little bruising is worth £1583 New Bosendorfer Model 170, 5' 8' Grand with just

minor blemishes but tonal quality unimpaired. Reduced from £9643 to £8050. For details of this bargam, contact:

Bösendorfer

38 Wigmore Street, London W1H 9DF. Telephone: 01-935-7378



required than the hardworking baritone has demonstrated in Nash players were clearly able the past so sure a command of to manage. Whatever the various styles—Bach, Handel, cause, Mozart's E flat piano and and Birtwistle are only three wind quintet, K452 (which composers in whose music he began the concert) and Ravel's has distinguished himself—that Piano Trio (which ended it) sounded like the read-throughs failure in Fauré should be dis-

of unflappable professionals. with both hands. Because I find standing." myself generally nut of sym-

longed for a crisper, cleaner sounding of the Three Symphonies for Small Orchestra, tn win me over. Poulenc's instruspeak in English, not in acerbic capital city of Normandy, has The singer of Le Bestioire and and there I went recently to

> The Theatre des Arts at Rouen is a modern building fronting the river Seine. designed with a degree of spacionsness and comfort that recalls Germany rather than our bole-and-corner solutions. Though Le Roi d'Ya was not a co-production, the decor by Diegn Etcheverry and costumes by Isabelle Echarry were borrowed from another theatre on the network-Nancy. In fact they were the strongest feature of a sound but not greatly exciling performance. Out of doors, megalithic Brittany, with stone slahs and wind-swept skies (real winter storms were putting the theatre's wind-machine to Indoors, barbarie colours and thick-woven primitive patterns with bronze panels for the bridal scene.

The production by Giampaolo

well, but each time some of the momentum trickled away. Nevertheless Lalo's score came up well-not only the heguilingly fresh lyrical music of which the teoor's Aubade is typical, but dramatic strokes such as the warning appearance of the local saint, which tell by sincerity and directness as well as sound theatre instinct. Viorica Cortez, last-minute beroine of Covent Garden's Werther, sang Margared, the king's daughter married against her will to a neighbouring chieftain hut passionately in love with warrior Mylio, who prefers her gentler sister. Rozenn. The hig role suits Miss Cortez's dark.

smouldering looks and up to a point suits her strong merzo voice. But vigornusly as she cessfully revived it a few years met the music's demands, she made so little of the words that drama turned to ranting. Rozenn, the sharply-con-trasted "gnod" sister was

Andrée Esposito, ber tone occasionally a little faded and fluttery but sweet and soft at the top, just where many French sopranos go acid. Mylin was sung by Alain Vanzo. France's leading lyric tenor and a fine artist of whom we have beard all too little. Some of the sheen has gone now, but the time remains as true and stendy as the style is sure. A skilful account of the Aubade (a piece of Mozartian clarity in which nn fudging is possible) was greeted with the reserved applause reserved by French audiences for quiet unshowy singing, however good, Karnak, Margared's conspiring husband. was vividly taken by a baritone I look forward to hearing again.

DERBY METALS AND MINERALS (S.A.) (PROPRIETARY) LIMITED TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY, LIMITED

(Both Incorporated in the Republic of South Africa)
JOINT ANNOUNCEMENT ACQUISITION OF MARICO PLUORSPAR (PROPRIETARY)

LIMITED An agreement has been concluded between United States Steel Corporation and Derby Metals and Minerals (S.A.) (Proprietary) Limited ("Derby") in terms of which, with effect from 3'st December, 1979, Derby has acquired the entire issued share capital of and shareholders' claims against Marico Fluorspar (Proprietary) Limited (" Marico"). From that date, Rand Mines, Limited has

been appointed as technical managers and secretaries of Marico. Marico owns and operates a fluorspar mine near Zeerust in the Transvaal

Transvaal Consolidated Land and Exploration Company Limited ("T.C.L.") which owns a substantial fluorspar deposit in the Zeerust district, will acquire Marico from Derby with retrospective effect to 31st December, 1979.

Rationalisation of Marico's operations to include T.C.L.'s fluorspar deposit is being investigated. lohannesburg

10th January, 1980

# **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4, Telex: 8954871, 883897 Telephone: 01-248 8000

Friday January 11 1980

# Adopting new technology

companies introducing new tech-

drastic changes io Government policy and in the attitudes and hebaviour of companies and trade unions. Yet, as was pointed out in the report published by the Department of than earlier moves to mechani-Employment there is no reason sation and automation, most of to suppose that over the next which have taken place quite five or 10 years the effects of smoothly. Certainly the changes five or 10 years the effects of micro-electropics in reducing industry's demands for labour will he any more dramatic than those of many previous examples of technological improvement.

#### -Evolutionary

The report noted that, contrary to popular helief, microprocessor applications (as opposed to micro-chips as sucb) are not necessarily cheap. The costs of software and the associated hardware which are oecessary to use micro-processors in many products and processes are high; their penetration will be evolutionary.

The exaggerated fear about the employment impact of micro-electronics is unfortumate, because It may tend to slow down the application of the new technology. As several of the recent reports have stressed, Britain needs to be at least as quick to use the opportunities created by micro-electronics as its competitors.
Various obstacles to its application bave been suggested, including lack of awareness, lack of finance, lack of manpower with the appropriate skills and trade union or employee resis-It is difficult to be too worrled about the first of these, especially in view of the educational efforts undertaken by the Department of Industry, the Sector Working Parties and other bodies. As for finance, but there are severe limits to companies will surely invest in lts ability to channel investment

is a more substantial issue. As create an environment in the Finniston report on which technological change is engineering made clear, there is encouraged.

IMPACT of micro- a mismatch which must be cor electronics on industry has been rected between what universities the subject of numerous official and colleges provide and what reports published in the UK over iodustry needs. But it is doubtthe last few months; it was a ful wbether a massive increase major topic at this week's meet- in Government-financed training ing of the National Economic programmes is appropriate. The Development Council, chaired main responsibility for training hy the Prime Minister; and the and retraining lies with EBI and TUC are to discuss the industry itself. The new techdrawing up of guidelines on em-ployment and other matters for the need for flexibility in the use of manpower. This could involve, among other things, a All this activity might sug- hlurring of the demarcation line gest that the advent of the so- between professional engineer called micro-chip has ushered in and technician and a less rigid an eotirely new dimension of attitude on the part of trade technological change, requiring unions to craft skills and the use of "dilutees."

As for trade union resistance, it is not obvious that microelectronics poses a more difficult industrial relations challenge sation and automation, most of must be preceded by full con-aultation and participation, but many elements of the TUC's proposed "new technology agree-ment" are in line with best practice in industry. There are dangers in creating a national issue out of matters which can safely be left to individual companies.

#### Preoccupation

Finally, there are the suggestions that the UK should bave a strategy for technology, wherehy, as the latest ACARD report put it, "those industries capable of generating substantial new employment should identified and fostered." Fortunately the present Administration is unlikely to go in for "picking winners," but there is a danger that preoccupation with advanced tecbnology, particularly micro-electronics, will have a distorting effect on industrial policy. Micro-electronics is important and the UK's response to it is rightly a matter of public concern. But it is not the only way of improving competitive ness. Even the so-called traditional or mature industries are capable of generating new employment if they are managed efficiently. The Government can contribute in a variety of ways to the spread of knowledge about new (and old) techniques, micro-electronic techniques if it in particular directions or to is profitable for them to do so.

The lack of akilled manpower employment. Its role is to

# Reform of the Saudi system

this week to reveal the Royal next two months if it bad not tionalist. been for the bloody seizure of the Great Mosque last November. On the face of it that event is likely to have expedited the decision and also finalisation of the 200 principles making up what the heir apparent described as a "Basic System of Government"—rather than country's constitution which, he stressed, would continue to be the Koran. As long ago as 1975,. shortly after his accession, King Khaled aired the idea of a consultative body. Apart from everything else the Mecca outrage was an indication of how badly out of touch the ruling hierarchy had become from at least one element of grass-roots

#### The Great Mosque

Immediately, the worst aspect of the Great Mosque affair for the regime was that it was the first open defiance of authority
—one moreover on a dramatic scale and with the full attention of the world focused npon itsince the foundation of the Kingdom in 1934. Equally disturbing was the rebgious inspiration behind the insurrection against a regime that has always prided itself on its guardianship of the Holy Places of Islam and the most orthodox form of Moslem faith. In the longer term, also, the ruling hierarchy must be deeply concerned by the tribal origins of most of the Saudis participating in the attack.

Crown Prince Fahd gave no hint as to what form the consultative council might take. Hitherto, the assumption has been that its participants would be appointed by the Monarch wide a cross-section of the part of the regime to accent population, especially the mem- more imperative than ever to techniques on the IMM are bers of the despised minority of make the effort.

ONE CAN only speculate the Shitte sect in the Eastern whether Crown Prince Fald of Province who made their own Saudi Arabia would have chosen protest while the Great Mosque was still occupied. In many Family's intention to establish respects Saudi acciety is still a consultative council within the backward, as well as tradi-

Increasingly, Sandi Arabia has come to look like a political Government baa been just as deeply conservative susceptibilities and, in direct contradiction to them, the liberal attitudes Parliament and member states that chafe under the imposition for a dispensation to breach the strict traditionalist nce demanded by

observance demanded religious leaders and under their infinence. elements have shown a growing resentment against the extent of the privilege enjoyed and vealth accumulated by members of the Royal Family, Ministers and senior officials through opportunities afforded by their status. To his credit Crown Prince Fahd recognised the problem in one of the two interviews published

#### Soviet relations

In the other one Crown Prince Fahd made the most conciliatory noises yet by a Sandi leader about the possibilities of the Kingdom recognising the Soviet Union and baying normal, direct dealings with it. That would need, be said, "a lot of effort internally to change the point of view of our people." The interview was apparently given before the Sandi Government bad appraised the Soviet invasion of Aghanistan and roundly condemned it.

The Sandi beir apparent also categorically ruled out the with the aim of bringing granting to the U.S. of any militogether representatives of as tary bases or facilities. Even now the Saudi Government will people as possible. In itself feel unwilling to identify itself achievement of the right too closely and too publicly with balance will be difficult and the U.S. External and internal require a genuine effort on the factors could not make the time more awkward for attempting in the City, he also feels it is his greater equality for certain reform of the Saudi system, but under-privileged parts of the arguably because of them it is



M. Raymond Barre: Prime Minister for three and a half

makers and seeking to concen-

trate their investments on

profitable sectors. There bas been a tightening up of finan-

cial control, with a welcome reduction in the mountain of

debt run up in the post-1973 oil

crisis. Exports have continued

to grow, taking France into

third place in the world league and belping to build a profits

increase of between 15 and 20

The question is how much of

this improvement is due to the celebrated plan for Industrial

recovery orchestrated by M.

Raymond Barre in his three and

half years as Prime Minister?

This programme, based upon stronger support for free market

priociplea, and now attracting

forming Government, was attacked by the leader of the

French employers' association

"We ask for neither aid nor subsidies," said M. Francois

Ceyrac. "We ask for freedom

to act, we ask the Government

to save enterprise from being

What the bead of the

Patronat was voicing was not disillusionment with M. Barre's

deas hnt an uodercurrent of

grudges which emerged at the

association's annual meeting,

mainly among smaller, provin-

cial businessmen who, as French

bleaker, are becoming more and

more frustrated, with the

Government's caution.

per cent.

enough.

HROUGHOUT 1979 there ment, who argue that M. Barre lists have been bred in a tradi- than inflation — and 20 per impossible in the industrial incentive to job creation and to was steady, accumulating bas set in train a fundamental evidence of a great purge change—" a change in the way going on in French industry, we think about business," big groups have been the words of a banker-which slowly reorganising, sbaking out needs time to work through the

abour, chopping their loss- system. The underlying concept of the Barre policy is to adapt the French economy to the requirements of international industrial competition. Since the last war, and more particularly since General de Gaulle's return to power in 1958, the French economy bas made the crucial switch from the land towards reliance on industry and exports. But the country has become much more willnerable become much more vulnerable to international compention and to ahifts in raw material prices, particularly oil.

#### Management changes

a great deal of attention in the UK from Mrs. Thatcher's re-Thus, according to the Barre atrategy, France must move towards the West German or Japanese economic model, supporting a strong industry only recently for not going far capable of carrying the import burden by its competitiveness overseas. To achieve this change, M. Barre is attempting overseas. to push France towards a much more open style of economic management, less reliant on paralysed by administrative rules and crushed by the weight of social and fiscal centralised, administrative intervention. Authority is being systematically banded back to the market place and respon-sibility for industrial management shifted away from the clutches of ministries into the hoardrooms. The same concept goes for company financing, where the aim is to place greater reliance on the stock market where companies are economic prospects appear judged by their performance,

All this means reversing the hablts of centuries. French in-

tion under which markets are cent if the exceptional profits climate of two years ago. tive competition policy. "The French think that the bigger a company is the better it is for France," says an official in one of the top Government economic agencies. "Size is seen as the answer to all unemployment

problems, to exports and any of the other difficulties which afflict French industry. If a company looks like going under, we merge it." This system of centralised management has extended equally to prices and employment policies. Bread prices, for

example, were first fixed in 1791 in the wake of the French Revolution, and, until last year. price controls were in force in virtually every corner of French industry and commerce. Until last year, also, it was extremely difficult for employers to take any measures which meant shedding workers on to a full labour

The whole panoply of French labour offices, controlled by the Government, was systematically opposed to rednadancies.

To change this system into something more responsive to market forces clearly takes time. But M. Barre can claim to have marked up several points for his programme. Among these are: Prices have been freed m all industrial products and are currently being liberalised in the distribution sector. By the end of this year the aim is to decontrolled prices in the aervice industries as well, leaving only a few sectors, such as energy, still under direct Government control. The

change on the prices front is one of the main reasons for the sharp improvement in industrial profits this year. It now looks as though the profits increase vestors have always had a bias will work out at an average of

regulated and arranged, and the of the oil companies are taken country has never had an effectinto acrount. As a result, companies have been able to strengthen their balance sheets. reduce their debts, and finance more of their needs from their own pockets.

France changes the way

it thinks about business

By TERRY DODSWORTH and DAVID WHITE, in Paris

 Company financing has been made easier by changes designed to increase stock market funds. The aim has been to attract new finance on to the market through tax concessions to individuals who might otherwise be putting their money into the Frenchman's more traditional, less productive

 A strengthened Monopolies Commission bas been set up. • The enormous deficits in the nationalised sector are being tackled by new company-State contracts designed to limit subsidies and give management more freedom to choose its of liberalisation has not yet own priorities. • The running sore of the

steel industry canterised with a reorganisation plan which includes a redundancy pro-Tamme:

This reorganisation, pushed through against stiff union opposition, served as a demonstration of the Government's determination to adapt industry to world market needs even at the expense of extensive unemployment. As the steel sector example

shows, the rigid attitude on redundancies bas been replaced by a more flexible approach more favourable to industrial This aspect of Government

been no positive declaration of what companies can and cannot But there is a general feeling

cult to define, because there bas

Even so, there are many in towards land, property and gold about 15 per cent for industry now push through reorganisas source of local authority funds. France, not only in the Govern-rather than industry. Industrias — some 3 to 4 per cent higher tions which would have been But industry views it as a dis-

As a result of this change in attitude there has been a rash of trimming operations in French companies, particularly in the large, influential conglomerates such as Pechiney-Ugine - Kuhlmann and St. Gobain. Many of these have been designed, as the Government hoped they would be, to release funds from unprofitable sectors for investment in businesses which bave more hopeful

These are all positive points about the Barre policy. But doubts about the effectiveness of the programme still exist, at two different levels. First, there is the type of criticism made by the employers' association which suggests that the still regards Government industry as the milch cow of the State and that the process gone very far. According to this companies are weighed down by an administrative system which regards them as the main source of funds for local and central Government, while not allowing them the necessary freedom to manage their affairs, particularly in

labour matters. The employers' most telling complaints are about indirect wage costs and tax. They argue that social charges have been rising twice as fast as the wealth produced and are pro-portionately higher than in almost any other country. The cost to a company of employing an ordinary semi-skilled worker is reckoned to be more than half as much again, all told, as policy is one of the most diffi- his actual wage.

The main fiscal grudge is against the so-called professional tax. Geared to a company's payroll, the value of its plant and the nature of its among managers that they can business, the tax is a vital

In addition, industry is constantly pressing for more radical measures to allow the revaluation of balance sheets to take account of inflation, with the aim of stepping up depreciation charges, bringing visible profits down and reducing the tax off-

The second question-mark hauging over the policy is more psychological. How far are basic French attitudes susceptible to. change? There is a strong core of feeling in both the administration and industry against changing the well-established way of doing things. The Civil Service is a force to be reckoned with and guards its powers jealousty. Some observers do not really believe its instinctive responses are going to change, particularly with such a large nationalised sector still under government control. Once the new measures come under pressure, as they may do in 1980 with a worse business climate at bome and abroad, the old collective instincts could reassert

#### Conditioned. reflexes

One indication of the sort of problem the Government is encountering occurred last year when a form of semi-control was brought in again for bread prices, which had risen by 20 per cent after controls were lifted. Another is in the thorny area of competitions policy. The new, stronger Monopolies Commission established by M. Barre may have stepped up the rate of its hearings and judgments, but it has not caught any big fish so far.

It also seems to be true that the old, conditioned administrative reflexes are still working when there is any question of a foreign company moving into France and offering a competitive threat to local industry. This was true when Lucas of the UK tried to take over Ducellier, and had to be content with a 50 per cent share with Ferodo of France. It has also been true of the paper sector, where a bid by a Swedish company for Lafarge Emballage has been effectively blocked while the possibility of a French offer is in the offing.

These examples show that the Government's actions are not as gest. It is clear that French industry is being run in a more disciplined manner than two or three years ago. This is probably dne to a mixture of circumstances-the competitive international climate, the emphasis the Government is putting on self-reliance and profitability, and, not least, the firmness withwhich the authorities have stuck to their central principles of controlling the money supply, defending the franc and halancing the current account. But in industrial policy the new pleas still have to fight against old and ingrained babits.

# How the Barre plan is making its mark

SAINT - GOBAIN - PONT - A-MOUSSON:—Saint Gobain is streamlining its wide range of interests to Improve its finan-

cial performance. It has sold Davum, its steel stockholding company; Malsons Phenix, its prefabripipe operations in Europe; a tissue products company; and a forest. It has closed down a papermaking

Recently it took a substantial stake in CII Honeywell Bull, the French computer company, and has said it expects 25 per cent of its sales to be coming from computers and electronics in the near future.
Job lesses in 1979 amounted

to about 6-7 per cent of the total workforce. in France, the company's

activities have recovered from

a loss of FFr 26m in the first half of 1978, to a net profit of FFr 64m in the same period RHONE POULENC:-France's

largest chemicals company is now emerging from a period of rationalising its heavy losshas involved cutting ont some activities, and concentrating investment on nylon and polyester products. Some 3,000 jobs (ont of the original 13,200 in this division) have already gone,

The group has invested more beavily in fertilisers with the acquisition of Gardinier and the other 50 per cent of the fertiliser com-

pany it owned jointly with Pechiney Ugine Kuhlmann, Consolidated net profits in the first half of 1979 doubled to about FFr 300m. PECHINEY UGINE KUHL-

**MATTERS** 

MANN:—Another wide-rang-ing conglomerate, based in special steels, aluminium, chemicals and nuclear energy activities, PUK is trying to concentrate on the faster growth sectors.
It has sold its 50 per cent

the other sharebolder, Rhone Poulenc; it has also got rid of the major part of its shareholdings in a radiator business, a wire and cable manufacturing company and a tungsten production unit. Recently, PUK ennounced plans to trim 600 employees from its chemicals

But it has consolidated its position in plastic tubes by acquiring some Saint Gobain factories in this sector, and is investing more heavily in Consolidated net profits forecast for 1979 give a figure of FFT 950m against CRUSOT-LOIRE: This steel,

engineering and nuclear plant group is also restructur-

trimmed in 1978, and it has recently sold its drilling equipment subsidiary to Hughes Tool of the U.S. The group is also reorganising its heavily loss-making special steels subsidiary probably with a view to its sale. It expects to reduce its overall 1978 losses of FFr 333m for the 1979 financial year. STEEL INDUSTRY: The Government-assisted refinancing programme has led to hopes of a return to profitability in the two main steel

companies, Usinor and Sacilor

greetings to "our American friends," who were seeing a

Bowring annual report for the

Now, of course, the relation-

ship bas become a little too imaginative, with M and M

declaring take-over ambitions.

first time.

Rationalisation

who were seeing a

Sacilor has already moved

resulted in some 22,000 job

into more specialised func-tions with the take-over of Pompey, a special steels producer, and Davum, a steel stockholder. AEROSPACE SECTOR

this nationalised sector a concerted attempt is being made to hold costs and develop businesses of international standing. Air France has improved its profitability, is swiftly modernising its fleet, and has reached an agreement with the Government on carrying the losses for Concorde.

Aerospatiale, the French partner in Concorde and Airbus manufacturing is predict-ing small profits for 1979 following seven years of losses culminating in a FFr 621m deficit in 1977.

# I'd planned to have enough. But there days I have to have pome help."

When you've once known a reasonable standard and have saved for your retirement, what can you do when inflation makes a mockery of all your careful planning? You can turn to the Distressed Gentlefolk's Aid Association.

To begin with, the DGAA will understand. Although they have 13 Residential and Nursing Homes, they know that people want to stay in their own homes for as long as they can cope, keeping their friends and the roots they have put down over the years.

So, the DGAA helps with allowances. They send clothes parcels. They remember Birthdays and Christmases. They help with a little extra when a crisis upsets a finy budget. Please help the DGAA with a donation. And please, do remember the DGAA when making out your Will.

#### DISTRESSED GENTLEFOLK'S AID ASSOCIATION Vicarage Gale House, Vicarage Gale, Kensington, London W8 4AQ

"Help them grow old with dignity"

rich man." Gold is a constituent of blood. according to St. Bartholomew's Hospital biochemistry department. And on its figures even the most refined Brummie would, excluding fillings, yield

than half a kile.

#### landlords waiting

Keeping the

anomaly even if its form of it may be recalled that thanks to the vote of the European representative of the people as Parliament last month, the "progressive" Arab States.

Evolution of the Kingdom's system is particularly hard as it must take account of both documents take account of hoth documents. The people as tually the Commission would have, cap in band, to ask the Parliament and member states

ceiling for some payments.

It has now emerged that without such permission the Commission will be unable to find the rent and insurance on its Brussela properties. Total Commission rents amount to £20m a year, give or take a few thousand units of account, and are paid in two annual instalments, as is the insurance. Parliamentary approval is likely to be grudging: having created the problem, the bonourable members are apparently taking a very correct approach and are splendid premises in Stras-

#### Stone's clanger

The man who gave the world its first opportunity to hedge its economic bets in the financial futures market, Leo Melamed, is in London attempting to lure British institutions and sepeculators into the International Monetary Market—a division of the Chicago Mercantile Exchange.

Brimming with unpublishable quotes on the state of the gold market, bureancrats and illinformed critics of futures markets, the leathery Melamed bas been chairman of IMM since it was set up in 1972 to trade futures contracts in currencies, gold and U.S. Treasury bills. Here to open an IMM branch

duty to educate Britain's financial community, "Trading

company

should start dealing unless it is properly advised," he warns. Waxing smug, he boasts that the national bankers and Governments which felt at the outset that financial futures had no future have now accepted the trade as "legitimate and necessary." "We only get occasional static. Some bankers complain we have an undue influence on currency finctuations. doubt it's true. But if it is, so what?" be shrugs.

"They say they're queueing for the sale."

While he has seen IMM climb from strength to strength (last interest. Same with shrimps."

lot to learn." He feels Stone

blundered badly when the CFTC

temporarily

banned grain

year more than 2m currency futures contracts were traded). Melamed recalls many failures in more mundane futures markets: "We tried turkeys. We laid an egg. No speculative At present he is preoccupied with the doings of the unpredictable James Stone, a Government appointee in the chair of the regulatory Commodity Futures Trading Commission. "Don't get me wrong. He's very smart, but he's got a

futures trading the other day. A borrendous error. The market is more than big and flexible enough to absorb shocks like the Russian grain embargo. We've seeo higger upsets wheo the weather's been had."

I note that John Gardiner, 44-

#### Back on board

year-old chief executive of the Laird Group, has made a swift return to the public sector since bailing out of the National Enterprise Board in November. He is unlikely, in his new capacity as uon-executive director of British Shipbuilders, to be especially popular among the shop stewards at the Cammell Laird shippard in Birkenbead, who are unhappy about the closure of most of Laird's nearby ship repairing facilities. Such animosity does not apparently extend to the industry's union leaders, who will sit alongside Gardiner on the board.

It seems unlikely that the abrasive Gardiner will be tempted to deepen his involvewith nationalised industries, even if, as seems possible, even probable, the chairmanship of British Shipbuilders is offered to him when it falls vacant in March.

#### Chilly winds

The air must be growing chilly explorer-publicist Ranulph Fienes, sailing towards the Antarctic on a journey around the globe. But never so chilly as the air between his joint sponsors—British insur-ance brokers C. T. Bowring, and the New York company in the same line of business. Marsh and McLenan. The sponsorship was agreed

last year, when optimism and amity was flowing across the Atlantic. in the spring of 1979. chairman Peter Bowring gave a the enterprise of little more message to employees, praising the "new and imaginative relationship with Marsh and McLennan." He also seot warm

This has prompted Peter Bow-ring to accuse his American counterpart of a "breach of faith," provoking an "intoler able situation." Figures is fortunate that down in the Polar sea be will

not feel any conflicting currents

from port and starboard.

Green baize lining Diversification clearly bas its snooker group E. J. Riley. Despite turning in a handsome 62 per cent jump in pre-tax profits last year, chairman Alan Deal warned his shareholders yesterday of the "tough struggle" ahead during the com-ing year. On the brighter side, said Deal, the company's substantial involvement in snooker clubs might be just the thing for the rainy days ahead: There is a tradition that when times are bad the clubs are

#### Blood money

Over lunch yesterday, a senior member of the Stock Exchange speculated idly about the wealth of Birmingham expressed in the gold content of the population (excluding fillings): "Refine 'em a little and you'd be a

often more heavily patronised."

no more than an average of 0.6 mg, giving a total return on

Observer

# FINANCIAL TIMES SURVEY

Friday January 11 1980

# EXIC

Oil and gas revenues are giving Mexico the opportunity to develop its basic industries and, with care, to alleviate rural deprivation. But President Lopez Portillo is determined not to fuel the economy with more cash than his government can prudently spend.

# Oil heralds brighter future

By Hugh O'Shaughnessy

MEXICO IS in the middle of an oil bonanza which is rapidly overtaking even the high expectations of the country a few years ago. The continuing success of Pemex, the State oil company, in finding new sources of crude oil onshore and offshore and new reservoirs of natural gas are in themselves encouraging for the country. There can be little doubt that Mexico will soon be in a position to produce much more than the 24m harrels a day that is. the target for 1983.

onditione

reflexes

Michigan of the p

Constituted par

10 00 SEP

err Liter control

n in in in in the gr

170-11 (1055 pobe

-billelie i brug

- dy cherys

But, better than this, the country is in a position to command increasingly high prices for its fuels. Last week the price of export crude produced from onshore wells was increased by 30 per cent to \$32 a barrel. matching the increases by the OPEC countries. The heavier for increased attention to the offshore crude is going for physical defence of the oilfields.

#### Gas for U.S.

ing: The country should easily inducement seems to be pro-surpass the figure of \$10bn ferred to Mexico if only it which it was expecting to get would step up its output, so from export revenue from its Mexican intuitions that they oil and gas sales this year. Should not deplete their oil and gas sales this year,

The problem is no longer to and gas production up and the export revenue in, but The President takes every

AS-BC-P15-19 CNBS-601-II-66321 del 18-XII-79

Area (1,972,54	761,600 sq miles 7 sq kilometres)
Population	66.94m
GNP (1977)	1,639.5m Pesos
Per capita	25,383 Pesos
Currency	£=50.75 Pesos

to keep it down in the face of opportunity of repeating that insistent demands for more supplies from U.S. and other eager buyers.

ment of Commerce last week that Mexican oil price increases were "unjustified" have irritated the Mexicans. They have produced reactions from, among others, General Félix Galvan, the Defence Secretary, who called for increased attention to the

President Lopez Portillo and his economic team are very conscious that the dangers now Later this month, natural gas lie in producing and selling too will start flowing across the much oil. As the eagerness of northern border into the U.S. which has finally agreed to pay the price that Mexico was asknot deplete however large, in strength.

#### BASIC STATISTICS

rea 761,6	000 sq miles	Trade (1978)		
(1,972,547 sq	kilometres)	Exports	135,845m	Peso
opulation	66.94m	Imports	183,329m	Peso
NP (1977) L6	39.5m Pesos	Trade with U	K (1978)	
er capita	25,383 Pesos	Exports to:		.593r
	50.75 Pesos	Imports rom:	£108	3.585n
_				

the ceiling of 21m harrels of daily production will not be breached during his presidency, or at least until the world Complaints by the U.S. Departaccepts the global energy plan which Mexico has submitted to the consideration of the UN.

The President has sald that the country could begin to suffer financial indigestion if the money started flowing Into the State's coffers at too rapid a rate for the Government to spend it prudently.

As it is, there is every likelihood that Mexico will hit its targeted growth rate of 10 per cent in the course of the next two or three years.

Mexico is, however, a long way from the position of capital surplus that has been enjoyed by some of the Gulf states whose small populations are unable themselves to put their oil wealth to use locally and which constrained to place many their funds in the capital rkets of the developed markets

ally to employ all the capital it can get.

inhabitants and such an unequal concentration of wealth that ens of millions of Mexicans can count on annual incomes of only a fraction of the average annual sum of around \$1,000.

Having decided the speed at which the economy can usefully absorb new injections of capital and grow, Mexico is left with the strategic decision of how best to use the new money.

The casiest course would be continue the pattern of development which in the past decade has allowed a strong private sector, helped by liberal Government subsidles and artificially low prices for the goods and services of the nationalised industries, to develop industries in the cities and intensive agriculture in the most fertile parts of the countryside.

#### Intolerable

The Mexican entrepreneur has proved to be a highly resource-ful individual. The city of Monterrey in the northern state of Nueva León, for Instance. which was only a small town at the heginning of the century and which today has nearly 2m in habitants producing large quantities of steel, glass and other basic manufactures, stands as a monument to the energy of the Mexican capitalist.

preseot development pattern has shown too many of Itself.

its faults to be acceptable as a model for the future for it has produced intolerable cities and indigent countryside. present trends. Mexico City by the eod of the century

will have a population of no less than 32m people and with less than half that number today the pollution and constant breakdowns in public services are such as to make life for the majority very difficult. The concentration of industry and population which has transformed Mexico City for the less rapid industrial developworse is mirrored in other ment, I think that we can con-Mexican cities such as Guadalajara and Monterrey.

At the same time, agricultural production and standards of life in the countryside have stagoated. The neglect of agriculture has helped to encourage the flight of country people to the towns and has raised the spectre of much oil income sooner or later having to be spent on the import of those farm products which Mexico is not able to grow for

Already last year and this the 1980s is therefore whether year Mexico expects to have to any government will have the import more than 4m tons of will and the ability to change a cereals and edible oils. Some Mexican economists even fore-see the U.S. using the "food weapon," i.e., conditioning the sale of food to Mexico on the

ÀGUASCALIENTES

production of higger quantities of oil for export. Sr. Rolando Cordera, one of the most acute economists in Government service, commenclude that Mexican capitalism fundamental imbalance

tween town and country) by means of urban industrial the town and countryside and, problems can be resolved."

40-year-old pattern of economic ensure that the new oil wealth is used in great part to relieve the problems of the countryside and thereby fend off longer term problems of lack of food

and rural decline.

The odds stacked against those setting out to effect such changes are clearly immense. The lobby of private industrialists is very strong and the organised urban workforce is powerful too. The massed battallions of the rural sector look puny in comparison.

At the same time however, the band of the Government is development. It is difficult to being constantly strengthened expect that through more rapid by the new oil revenues accruindustrial development, implying from one consolidated State ing on one hand the massive oll company. The hig new absorption of the workforces of revenues, combined with the great authority vested in the on the other, the industrialisa- Mexican presidency, could tion of farm production these strengthen the possibilities for change.

CONTENTS	
Foreign trade	П
Economy	П
Oil	
Gas	IV
Foreign affairs	IV
Profiles:	

President Lopez Portillo Fidel Velazquez Samuel I. del Vitlar Port development Agriculture Motor Industry Banking

an opportunity with the oil wealth to solve many of the social and economic problems appeared virtually Whether this chance is seized will depend on the determination of President Lopez Portillo roblems can be resolved." change. In the three years of office that
The question for Mexico in Today therefore, Mexico has are left to him.

# The added advantage of latin charm may help your Mexican business without leaving London.

The London Branch of Bancomer, one of Mexico's most important banking networks, opened August 15th, 1979.

If your business requires commercial information on domestic and international firms, information of location of international or domestic representatives, official requirements and duties for exports and imports, trade financing as well as Mexican export financing at preferential interest rates, do not hesitate to call on us in London, or at any one of our 630 offices all over Mexico.



# FINVEST DE MEXICO, S. A.

NIZZA 46, MEXICO 6, D.F.

A company for financing and investing in Mexico

We are a Mexican financial company with international banks and investment bankers as partners.

Our objective is the promotion of corporate and financial relations between Mexican and international organisations.

- -Joint ventures in Mexico
- -Mexicanisation of foreign-held corporations
- -Financing of Mexican companies in international markets
- -Counselling on industrial, financial and real estate projects involving Mexico.

In Europe our services are available through:

Compagnie pour le Financement et l'Investissement, S.A.

> FINVEST CO S.A. 22 Avenue du Mail, P.O. Box 148,

1205 Geneva, Switzerland. Tel: (022) 28 32 44

Telex: 22556 FINV/CH

# Decision imminent on GATT

determination that Mexico will imports of capital goods. Their not go down in history as an oil-producing country which the corresponding merely exported its oil and used 1978 to \$3.15bn, its petrodollars to import consumer and capital goods will be put to the test this year.

Inescapably linked to this much vaunted desire by Mexico account deficit increased to at to be the exception to what bas least \$3.4bn as against \$2.4bn happened to other oil countries in 1978. It would have been is the fact that the Government has to make up its mind before May 31 about joining the General Agreement on Tariffs and Trade (GATT).

The Government is in favour of converting Mexico into the 88th member of the world's main trading organisation. It believes that membership will encourage the highly protected local industry to be more efficient and more competitive and that at the same time markets will become more accessible. But the issue is by no means decided, for there are powerful pockets of resistance in both the private sector and organised labour.

To join or not to join GATT is the central issue facing the Government in its strategy of using the oil, a non-renewable source of wealth, to create renewable sources of wealth. Its aim is to use the oil revenue to strengthen the industrial and agricultural bases and to make the economy more export-

orientated. Mexico's trade deficit last year was at least \$3bn. a 36 per cent increase over 1978 and a 130 per cent rise over 1977. The greatly increased 1978 deficit is a pointer to how much the economy is expanding, with the private sector's imports rising very rapidly to enable it to carry out expansion pro-

Yet, despite the tremendous leap in the value of Mexico's oil exports the deficit is still widening faster than expected. According to the Banco de Mexico, the central bank, Mexico's oil exports soared from \$1.15bn to \$2.48bn in the first nine months of last year, pushing up total exports by 47 percent to \$5.92bn. But with imports jumping 43 per cent to \$8.2bn, the trade gap widened.

Oil accounted for 42 per cent of all merchandise exports as against 29 per cent in the strategy. At the moment 82.4 corresponding period of 1978. per cent of Mexico's sales and The proportion represented by 98.4 per cent of its purchases manufactured goods dropped are made with GATT countries, from 33 per cent to 28 per cent.

A particularly beavy item in Mexico to enjoy the benefits

THE MEXICAN Government's the trade deficit is the massive value shot up 58 per cent on

> As a result of the widening trade gap and the \$7bn needed to service the public foreign debt of \$30bn, the current account deficit increased to at greater but for another good year for tourism, a billion dollar earner.

> All this makes an unpromising background for the Government's plans to push non-oil exports other than its traditional lines like coffee, cotton,

> shrimp and metals. It is far too early yet to make any definitive judgment, bnt enconragement can be taken from the fact that Mexico's industrial base and general infrastructure are far more advanced than those of other oil-producing countries. Once the oil revenue really starts to flow Mexico has only to set about reinforcing the existing base.

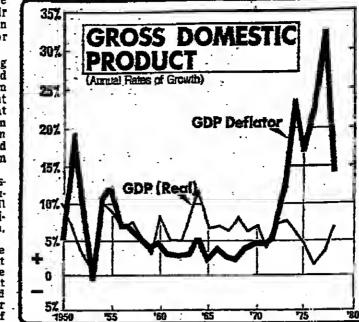
#### Souandered

Uppermost in the minds of trade officials is the realisation that one day Mexico's oil will dry up, and that if by then Mexico is not exporting a great deal more manufactured goods. including capital equipment, then the oil revenue will bave

been squandered. In Mexico's case the need to export more than oil is a political as well as an economic necessity, for few other major oil-producing countries in the world bave such an explosive population growth rate and bence the need to create labour-intensive industries. Politically GATT membership is important for it is vitally linked to Mexico's desire for a greater

say in world affairs. It is the Government's belief, backed up by the failure of become labour-intensive if it ceases to be solely reliant on its captive domestic market and becomes more export-orientated.

GATT membersblp is con-sidered part and parcel of this



tect Mexico from the growing tendency among industrialised nations to adopt additional protectionist measures to shore

up their sagging economies.

that its terms of entry are liberal. It has 12 years - an exceptional length of time by GATT standards — in which to substitute its system of import licences with one of tariffs and bring them into line with GATT policy. A special case is made for agricultural goods.

Already the Government has

which GATT offers. Staying out have been withdrawn from the of the organisation will not pro- import licence list of 7,200 import licence list of 7,200 items. But the remaining items still represent over two thirds of Mexico's main imports.

p their sagging economies.

The Government believes has been widely tipped as a presidential candidate, has made it clear that even if Mexico does not join GATT it must still become an exporting country with a more efficient industry.

Essentially the arguments against joining GATT are centred on the fear that the country is not yet sufficiently developed. GATT membership, started to move in a less pro-tectionist direction. In the past would swamp the country with three years over 4,000 items imports which would put some and France) will receive about

out of business and increase memployment

considers a fair agreement, believes that the GATT issue cannot be postponed indefinitely.

Oil is luring many countries to Mexico, either to buy the "black gold" or to explore the investment possibilities of a rapidly expanding oil-related economy. This in itself is bound to bring an increased flow of

In the past year trade missions have streamed through Mexico City. For some, like the Irish, it was a first visit; for others, like the Japanese, some kind of mission is a monthly

Just as the Government wants to diversify its oil exports away from the U.S., which at the moment takes 90 per cent of Mexico's crude, so too does it want to break into European and Far Eastern markets for oil and non-oil products. The ideal for Pemex, the State oil monopoly, would be to cut America's share to 60 per cent and sell 20 per cent to Europe and 20 per cent to Japan.

The U.S., however, is such close and demanding market currently taking 68 per cent of total exports and supplying 61 per cent of its imports — that it is unlikely that this trade will ever be substantially reduced and the balance released diverted Europe and Japan.

Nevertheless, serious moves are being made in this direction. Next year, according to current Pemex export figures, America's share of Mexican oil exports will drop to around 70 per cent.

small and medium-sized firms 21 per cent and Japan 9 per out of business and increase cent. In absolute terms the American share may well main The Government, on the other tain itself at about 600,000 b/4. hand, baving negotiated what it while Spain will receive, some time after the second quarter, an additional 100,00 b/d; France and Japan will 100,000 b/d each.

The Mexican Foreign Trade Institute (DICE) is vigorously pushing export programmes it is running far more courses in export training and plans this year to open additional offices in Europe, the U.S. and Japan. So keen is IMCE to meet Mexico's desire to export more that it has a computer which enables businessmen to find out potential buyers anywhere in the world spart from socialist bloc countries. IMCE has also been instrumental in getting off the ground an ambitious plan by a private company to run a regular air freight service to Europe next year to take Mexican fruit and vegetables. The U.S. buys virtually all such

#### Growing interest

products from Mexico.

Last year's visit to Mexico by Dr. Wilhelm Haferkamp, the Commissioner for EEC ternal Affairs, was a sign of the growing world interest in Mexico's attempts to diversify its trade. The EEC, which has a trade surplus with Mexico of over \$1bn, supplies Mexico with 16 per cent of its imports and takes 6 per cent of Mexico's

This feeling is also demonstrated by the speed at which new direct foreign investment in Mexico is rising. Last vear new foreign investment totalled \$400m, a 36 per cent increase over 1978: this year it is forecast to total over \$500m.

William Chislett

# industry so far to make any real inroads into the employment problem, that industry can only below. Intercive if it constantly improves\_

THE DAYS in late 1976 when countries of 4.2 per cent. decades of stability for the . As in Britain until comparaone big devaluation seem very distant, but nervousness about the ability of the currency to maintain its rate of 23 to the dollar is still alive.

The trading position of the country bas been transformed over the past three years by oil exports and the prospects for Mexico, as more and more oil and gas are found and the price of the fuels rises, are constantly improving. Nevertheless, the nervousness

centres on the ability of the Government to keep Mexican inflation roughly in line with that of its main trading partner,

During 1976 the official rise ln the cost of living in Mexico was just over 15 per cent, compared with 9.2 per cent in the U.S. In subsequent years, in fact in every year since 1972. Mexican inflation has been in double figures, each year far out-distancing that suffered by the

tight labour discipline had for more than a decade, from 1959 to 1972, ensured that Mexicans bad little doubt about the worth of their currency. During the 1960s at an annual average of 3.5 per cent, Mexican inflation had been fairly close to the U.S. figures of 2.8 per cent and

looked on in Mexico as a sign of national failure and to be resorted to only in the direct of emergencies.

There are those who are now predicting that Mexico will again bave to adjust its currency downwards by about 10 per cent. The bears point to the fact that the cost of living last year rose by not less than 20 per cent and the tendency is towards acceleration.

Despite the best efforts of the Banco de Mexico to restrain the increase in the money supply, it is growing fast and wage pressure from organised labour is increasing. A strike of airline personnel, for instance, grounded many internal flights

few weeks ago, but with strong Government backing the employers were able to win the

Nevertheless the growth of independent" unions outside Government - controlled trade union confederatons and the increasing latitude allowed to left-wing political parties in Mexico would all suggest that worker power "-in those sectors where it is organised-will

The bulls, on the other hand, say that the world's thirst for oil will continue to be so great that: it will mean increasing demand appreciably below the annual for the peso as investors switch average for all industrialised out of what they see as even

#### **CONSUMER PRICES** Annual Percentage Changes

Year	Industrialise countries	d U.S.	Germany	Japan	Mexico
1965	2.8	1.6.	3.2	7,3	3.6
1966	3.3	3.0	3.6 1.7	4.9	4.2
1967.	2.9	2.8	1.7	4.1	4.2 3.0
1968	. 3.9	4.2	1.6	5.6	2.3
1969	4.8	5.4	1.9	5.6	3.8
1970	5.6	5.9	3.4	7.3	5.1
1971	5.1	4.3	5.2	6.3	5.7
1972	4.5	3.3	5.5	4.8	5.1
1973	7.5	6.2	7.9-	11.7	11.2
1974	12.6	11.0-	7.0	- 22.7	22.4
1975	19.7	9.2	5.9	11.9	15.7
1976	7.9	5.8	4.6	9.3	15.1
1977	7.9	6.6	3.9	8.1	39.0
1978	6.8	7.8	2.6	3.4	17.5
1979	7.8	10.1	. 3.9	2.7	17.8
	(May)	(May)	(May)	(May)	(April)

Source: International Financial Statistics, International Monetary Fund. 1979 Supplement, Annual Data 1949-1978.

	1950-59	1960-70	1971-79
	. %	96	%
REAL WAGES		-	74
Rate of change	31.7	01 5	
Average enemal ante al access		91.5	23.3
Average annual rate of growth	2.8	6.7	2.4
GDP PER CAPITA			
		, ,	
Average annual rate of growth	2.5	3.8	1.0
			(1977)
NOMINAL WAGES			(Tatt)
NUMBER WAGES			
Rate of change	142.7	15L9	324.7
Average annual rate of growth			
The state of Stown	9.3	8.8	17.4
INVESTMENT RATIO			
End of the period			
The or the period	15.9	20.8	19.3
•			(1977)
			110441

Sources: Banco de Mexico, SA.; International Financial Statistics (IMF 1979); World Development Report, IBRD, 1979.

than

Mexico's

This. combined with the Mexican Government's unwilldecree another should belp to devaluation, maintain the parity where it is. In any case, the buils point out, pesos only bave to keep their relationship with the U.S. dollar which itself is going through a period of weakness.

Whatever the relative strength of each argument it is

clear that the peso will be under particular pressure in the next few months. President Lopez Portillo's decision to introduce a 10 per cent value added tax from the beginning of this month should give a nasty new twist to inflation. The best that the Mexican anthorities can expect is that this new inflationary move will be masked by the dollar's weakness.

Hugh O'Shaughnessy

# Blue Circle has a constructive attitude to Mexico

Blue Circle can't take credit for building the great Aztec pyramids, but they can take credit for having had confidence in Mexico's future since 1909. That's when Blue Circle founded its Mexican associate, then called La Tolteca, Compania de Cemento

Today, in partnership with Mexican interests, the small cament company which Blue Circle started 70 years ago, is one of the most successful industrial groups in a furiving country with an impressive economic growth potential.

Empresas Toltieca de Mexico, as Blue Circle's Mexican associate is now known, has responded quickly and successfully to the tremendous demands for expansion which have been made on every sector of Mexico's economy in the past decade.

Now building its ninth cement works, Empresas Tolteca is ready to meet the growing demand for its products and services. -

always had a constructive attitude to overseas investment. That's why a large part of the group's total profit comes from its activities abroad. Empresas Tolteca de Mexico is making a major contribution to Blue Circle's historic and continuing international success sings

Blue Circle is one U.K. company which has

Blue Circle Industries Limited

Constructive thinking for the future.

COMPAGNIE DE BANQUE ET D'INVESTISSEMENTS

**GENEVA** 

CAPITAL AND RESERVES Sfr. MORE THAN 30.000,000

PRIVATE AND COMMERCIAL BANKING SERVICES IN SWITZERLAND AND WORLDWIDE

Cours des Bastions 14 1211 GENEVA 12

COBADIN

FEW COUNTRIES are as in the Bay of Campeche and tha Mexico, the first country in the well as to continuing development of the Reforma fields.

By the end of 1977, proven jealously asserted its right ever reserves had risen to 16bn since to develop this natural barrels, and by the end of the ot its own pace.

at and Japan 1 absolute may length at about 600 mg. At about 600 mg. At at about 600 mg. At at about 600 mg. At a count 1 eceph 1 1

each. See a scanning of the control of the control

ing interest

r's visit to Medio:
Im Haferkamp:
Imussioner for lives, was a sun of
world interest
Accompts to dree
The EEC, winds
Iplus with Medio
supplies Medios

er cent of New subblies Next of the means of New Mexico of the means o

the speed at me the speed at me the foreign invent is rising last a nonverteent into

Villiam Chick

ES

and British companies, tha industry was shrouded in secrecy. Estimates of reserves were highly conservative, and there was no opportunity for outsiders to make independent

The spectaculor rise in Mexico's proven reserves of oil and gas therefore came as a surprise to the rest of the world, and led to some bighly optl-mistic predictions about the country'o potential as an oil pro-ducer and exporter.

Comparisons with the major Middle East producers bave been made, but they tend to ignore the contrasts in social and economic conditions, and it is these spheres that will determine Mexico's future course. Although Mexico was the world's second largest oil producer (after the U.S.) in the early part of the century, out-put declined as fields exploitable with the technology of the tima were exhousted. By the late 1950s the growth of the economy outstripped the ability of the domestic industry to meet demand, and Mexico became a net oil importer.

This worsened the economic effects of the 1973-74 oil crisis, but a new exploration effort begun in the early 1970s had already led to the discovery of the vast Reforma fields in the southern states of Chiapas and Tabasco, By the end of 1974 Mexico had a small crude oil

The impact on reserve figures was not seen, however, until early 1977, soon after President been remarkable. Serious seismic José Lopez Portillo took office. Official proven reserves of but this preliminary exploration hydrocarbons (Mexico combines work identified more than 60 the figures for oil and gas) rosefrom 6.43hn harrels to 11,16hn

revision of the technical basis proved reserves bave risen fastly refuses to predict a dote for determining reserves, but practically in geometric protection for ending the blowout. The cost of lost oil, the due to such massive discoveries 10.1bn barrels.

Campeche is producing and pollution control is now Tha first rise was due to

nationalistic about oil as Chicontepec basin onsbore, as

resource on its own terms and following year they had more than doubled, to 40.1bn barrels. From 1938—now as revered adde in Mexican history as the 1910 Revolution — when the Government seized ownership of the oil wells from American reserves and 200ba barrels for proven another 45bn in probable reserves and 200ba barrels for the oil wells from American reserves and 200ba barrels for proven another 45bn in probable of the oil wells from American reserves and 200ba barrels for proven and 200ba barrels for proven another 45bn in probable of the oil wells from American reserves and 200ba barrels for proven and 200ba barrels. potential reserves. (The potential reserves include both proven and probable reserves.)

But reserve figures are no guide to the future level of Mexican crude oil production and exports. The crucial factor here is Mexico'a obility to absorb oil revenues at a time when prices are rising sharply. The current production target is 2.25m barrels a doy of which 1.1m b/d is earmarked for export. When this target was

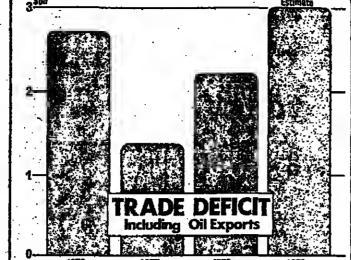
set early in 1977, Petróleos Mexicanos (Pemex), tha State oil monopoly, did not expect to reach it befare 1982. Yet such has been the pace of exploration and development, particularly offshore, that these levela are now expected to be reached in the first half of this year.

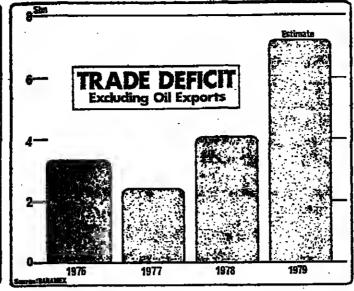
#### No imbalance

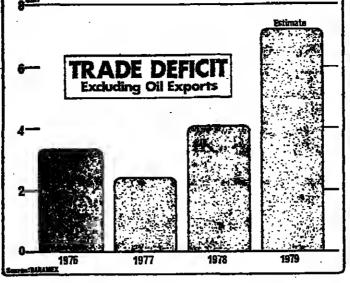
What bappens after that bas yet to be decided. In a recent interview with the Financial Times, President Lopez Portillo said the decision would be taken on the basis of "prevailing factors," but added: "Our principal alm will be to avaid producing any imbalance in the economy "—a recurring theme of his administration.

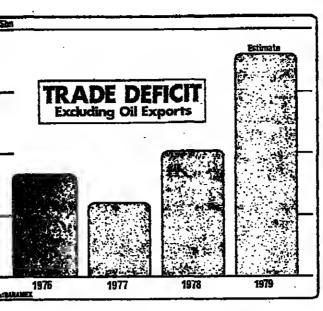
There is no doubt that Mexico has the technical capacity to raise production some-what obove 2.25m b/d in 1980 if it wishes to, mainly due to the stunning productivity of the Cantarell fields. Pemex is now surplus to sell abroad, ending proclaiming the Bay of Cam-17 years of dependence on peche to be the richest offsbore imports.

The speed of exploration ond development in Campeche has work did not start until 1972. well-defined structures, which









Valves controlling flow from well heads at the Antonio J. Bermudez separation plant, Tabasco

only seven wells, one of which is producing 70,000 h/d, which Pemex claims is the world's largest output from a single offshore well.

But this achievement is dimmed by another world record: the largest ever oil blowout. Since June 3 last year the lxtoc exploration well has been spewing oil into the Gulf of Mexico, initially at a rate of 30.000 b/d.

Frantic efforts to contoin the blowout by pumping down such materials os cement, golf balls and mattress stuffing reduced the outflow to about 20,000 b/d by August. Pemex sald at the time that about half was burning into the atmosphere, another quarter evaporating and 1,000 h/d was being recovered by "skimmer" craft.

A huge steel "somhrero" was iowered to the seabed over the blowout in October, and Pemex now claims that the outflow has slockened to 10,000 b/d, although it will not say how much is being recovered.

The disaster will not he over,

however, until two directional wells to the same depth as Ixtoc are completed. One has already bit the target, and mud ond cement pumped through it beld the strong promise of yield- ore helping to contain the flow. ing hydrocarbous. Exploratory The other is said to be nearing drilling began in 1974, and completion, but Pemex stead-

225,000 b/d of crude oil from estimated to be well over \$200m, work around Tuxtla Gutierrez development period of 13 years, structure, and Pemex hopes development work, with one drilling platform and one production platform, can begin by

the end of the year.
Output from Campeche os whole, which by Decembar 31 will hove 25 production platforms, each with four wells, is expected to rise rapidly to 500,000 b/d, the limit of the 36-inch pipeline to Dos Bocas, on the Gulf coast. But the field is so prolific that another 36-inch pipelina is atmost certain to be installed soon.

from Campeche, however, the

#### Proven reserves

Three fields — Antooio Bermudez, Cactus and Sitto Grande—account for most of Reforma's production, which in turn represents more than three-quarters of Mexican crude oil output. The latest official figure for proven reserves in Chlapas ond Tabasco is 12.5hn barrels. The Antonio Bermudez field alone has proven reserves of 7bn barrels. almost as much as Aloska's North Slope.

The bright side of the disaster and near the Guatemalan is that there ore reserves of border has indicated attracplans to drill 40 exploratory walls in the two states.

> The State oil company is also hinting at good prospects in the state of Jalisco, on the Pacific coast, but the greatest bope for the future is in the Chicontepec basin, reckoned to be one of the largest accumulations of hydrocarbons in the western hemisphere.

Reserves in the massive underground canyon, which covers about 1.275 square miles on the coastal plain north-east Whatever the foture riches of Mexico City, are estimated om Campeche, however, the at no less thon 106bn barrels, swampy Reforma fields in the tropical states of Chiapas and Tabasco are the mainstay of Mexico's oil industry for the mainstay of the tropical states of Chiapas and recovered. The oil will be difficult to extract, because the porosity and permeability of formations are poor. recovered. The oil will be diffi- gas. and Pemex estimates that 16,000 wells, each producing only 50-100 b/d, will be necessary to develop the field fully.

Deep wells in the Chicontepec area helped Mexico to its strong position in the early port of the century, but shallower discoveries were olways assumed to be unprofitable. It was not cellings, until the 1970s that more sophisticated exploration and production techniques, and a reassessment of the geological data, made the potential clear.

ression to the present figure of The cost of lost oil, the The Reforms areo is limited Pemex is treating the develop-folibly barrels. Operation to shut down Ixtoc to the south by the Chiapas ment of the field with caution. Campache is producing and pollution control is now mountain range, but exploratory One outline plan suggests a

with the purchase of 30 drilling rigs in each of the first four year. 300 production wells are envisaged, with an average of 60 h/d per well, giving a total of 18,000

Because of the technical difficulties, Chicontepec will cost far more to develop than a conventional field. Early last year, Pemex estimated that the plan could cost more than \$8.7bn to implement. During the development period, bowever, cumulative production could amount to as much as 2.6hn barrels, worth about \$83.2hn at today's prices. At peak output, Chicontepec could produce 740,000 b/d of erude oil and 1.2bn cubic feet a day of associated natural

With the high, number of low productivity wells that have to be drilled. Pemex will be oble to plan the development in careful stages in an ottempt to match its needs for labour and equipment with the ability of local industry to meet its demands. Crude oil output from Chicontepec bas not been included under the Government's present production

The technical challenge of Chicontenec is one that is likely to become an increasing concern for Pemex. The Ixtoc blowout was not only a serious emborrassment to the State company. hut a major drain on trained

This, along with heavier rains export price announced earlier than expected in Chiapas-Tabosco, late arrival of equipmeni and — some say — port congestion, caused the wide gap between Mexico's export target of an average 672,000 h/d of crude in 1979 and the actual average of 539.000 h/d. The shortfall would hove been even worse but for higher than

expected offshore production. This pattern is likely to continue in 1980, with offshore crude representing an increasing proportion of Mexican out-

#### Murky prospects

The prospects for increased levels of production and exports in the longer term are murky. When the administration considers its future strategy later this year, it will be a difficult task to weigh the attractions of higher production against those of a conservative approach.

The Government bas good

reason to fear that any shorp rise in oil revenues will over-heat the economy. Inflation neared 20 per cent lost year, well over the official target of 13.5 per cent, and is threatening to spiral even higher this year. due in large port to pressure of demand.

Mexico revises Its export nrice quotterly, in line with these set by the Organisation of Petroleum Exporting Countries. although it is not an OPEC memher, and has no need or Intention to become one. The 30 per cent increase in the

Isthmus crude would give Mexico revenues of more than export average, or \$35.2m a day when the export target of 1.1m h/d is reached. This level of income may well be more than enough for the Government.

There is no doubt that oil tackle Mexico's pressing social problems. Unemployment and underemployment are approaching 40 per cent, and the country's population growth rate of nearly 3 per cent means that 700,000 new johs must be created each year just to stop unemployment rising further.

President Lopez Portillo insists that oil must be used for the benefit of the population as a whole, yet in the 1970s the gap between the top and bottom of Mexico's income distribution widened.

The oil industry is not labour-intensive, and eon do little to sook up unemployment directly. But oil mooey is essential to the Government's decentralisation policy, aimed at alleviotiog some of these aocial problems. Heavy financiol commitments have been made to establish industry in four designated "development designated "development ports"—Tampico and Coatzacoalcos on the Gulf coast, and Lázaro Cárdenas and Sallna Cruz on the Pacific.

Raymond Whitaker



Banco Nacional de México, S.A. • Bank of America N.T. & S.A. • Banco Nacional de Comercio Exterior S.A. • Nacional Financiera S.A. • Deutsche Bank AG • Union Bank of Switzerland • The Dai-Ichi Kangyo Bank Limited •

ENTS

# Why a Mexican Bank?

Because if you are doing business in or with Mexico, working with a Mexican Bank makes business sense.

### Which Mexican Bank?

Banco Nacional de México (Banamex), because it makes business sense. It makes business sense to look for stability. strength and reliability.

- 95 years of experience.
- Total assets: over 8 billion U.S. Dollars.
- Over 550 domestic branches.
- A correspondent Bank network that reaches virtually the whole world.

#### It makes business sense to look for a Bank that

- Economic information on Mexico
- Assistance in developing investment or co-investment projects.
- Stock underwriting

#### it makes business sense to look for a complete range of corporate financial services:

- Information on prospective markets.
- A direct link with major international money
- Export-Import financing.
- Letters of credit.

Altogether, it makes business sense to get in touch with Banco Nacional de México (Banamex)



Banco Nacional de México.S.A

London Branch: Winchester House, 77 London Wall, London EC2.01-8389171.

Banco Nacional de Mexico, S.A., Main Office: I. la Catolica No. 44 Mexico 1, D.F., (905) 518-9020, Telex 01775734-BNM/NME., York Agency: 375 Park Avenue, N.Y., NY 10022, (212)980-0450; Los Angeles Agency: 800 W. Shith St., L.A., CA 90017. (213)624-6226; Representative offices in Paris, Medrid and Tokyo; a subsidiery benk in Cettlomia and an affiliated bank in the United Kingdom.

# The International Oil Exhibition for Mexico



Mexico is the centre of a vast source of oil supply vital to future world energy requirements. The development of these resources opens up tremendous opportunities for companies supplying oil and gas technology, equipment and services.

ITFI, in co-operation with Petroleos Mexicanos (PEMEX) is organising and promoting PETROINDUSTRIA MEXICANA'81 to be staged at the Palacio de los Deportes in Mexico City from 3-7 February 1981.

Ing. Diaz Serrano, Director-General of Petroleos Mexicanos has assured ITFI of his utmost goodwill in the staging of the event, and

Lic. Reynaldo Jauregui, Head of Public Relations, has further stated that Petroleos Mexicanos will co-ordinate with ITFI meetings between their technical staff and those of their Mexican suppliers and contractors, and exhibitors, to promote joint participation in the future expansion of the Mexican oil industry.

A major international conference to be associated directly with the exhibition is being planned by the Financial Times.

From ITFI's unrivalled reputation in organising major international exhibitions and first-hand experience operating in Mexico as organisers of the successful British Industrial Exhibition in 1978 (for the British Government) exhibitors can have confidence in participating in PETROINDUSTRIA MEXICANA '81.



For further details contact: The Sales Manager, Industrial & Trade Fairs International Limited, Radcliffe House, Blenheim Court, Solihuli, West Midlands B912BG, Telephone: 021-7056707 · Telex: 337073.

# Gas exports begin to flow north

THIS MONTH the taps will be turned to send 300m cubic feet a day of Mexican natural gas across the border into the U.S. and Mexico will begin collecting \$1m a day for a product that, until this year, had mostly gone

In a sense the flow bas begun more than two years late. Six U.S. companies agreed in 1977 to take 2hn cubic feet a day of Mexican gas at a price of \$2.60 per 1,000 cubic feet, but Dr. James Schlesinger, then Energy Secretary, vetoed the deal because the price was more than the \$2.18 being paid to Canadian

The decision was a consider-

able blow to Pemex, the Mexican State oil monopoly, which bad already started work on a \$1bn, 48 inch pipeline to carry the gas the 850 miles from Cactus in the sonthern oil fields to Reynosa on the U.S. border. The cost to Mexico can be seen in the fact that the country was forced to burn off at least 200m cubic feet of gas a day last year. But national sensitivity, always beightened in dealings with the colossus to the north, dictated that Mexico would bold out to the last for

#### Agreement

the "right price.

It was not until last September, just before President Jose Lopez Portillo's visit to Washington, that agreement was reached. In the end the "right price" turned out to be \$3.625 per 1,000 cubic feet. In common with Mexico's oil exports, the price will be revised quarterly according to an OPECrelated formula.

The amount contracted for-300m cubic feet a day-represents only 2 per cent of current U.S. gas needs, but the "evergreen" contract places no ceiling on the quantities that can be delivered. It may not be long before the amount of gas piped into Texas doubles or

Mexico's proven gas reserves currently stand at 58 trillion cubic feet. Much of this is in the form of associated gas produced along with the crude oil. If there are no available outlets for this gas, the only alter-native is to burn it off into the atmosphere.

The size of the problem is day in 1978 came in the form of associated gas output. Many of the oil discoveries about to be exploited contain very high proportions of gas.

After the 1977 deal fell through, Pemex defiantly de-

could be used domestically. There is no doubt that in-company had the material to Construction of the national ternal consumption of gas has complete the final leg to the gas trunkline was balted at San increased, but the success so U.S. border, and it seems pos-Fernando, 75 miles south of far of the conversion pro-sible that work will begin once

Reynosa, and the pipeline was connected to the existing system around the northern industrial city of Monterrey. (The gas deliveries to the U.S. will initially be made through an old pipeline link between Monterrey and Reynosa.)

NATIONAL GAS

- National Trunkline — Existing Pincines

PIPELINE NETWORK

PACIFIC OCEAN

A programme was launched to switch important fuel users from oil to gas as their principal source of energy. The Federal Electricity Commission is completing conversion work at seven of its major power stations in the states of Durango, Jalisco, Nuevo León, Mexico and two in Hidaigo,

Other industries, particularly in Monterrey, are being urged to convert to gas, thus freeing more oil for export or domestic

use elsewhere. the use of natural gas by new industries at Mexico's two development ports" on the Gulf coast Tampico and Gulf coast. building spurs from the national trunkline to these two towns.

#### **Plants**

Pemex bas five operational cryogenic plants capable of prodemonstrated by the fact that cessing 1.1bn cubic feet a day tailor output mo 63 per ceot of Mexico's gas pro- of natural gas, four absorption levels of demand. duction of 2.561m cubic feet a plants with a processing Pemex can take

gramme is impossible to judge. The American snub bas made the scheme a point of national pride, and Pemex has to contend with domestic critics who claim that to sell any gas to the U.S. at all is a rape of the national

heritage. It is hardly surprising, therefore, that the organisation contends that only 120m cubic feet a day of last year's production of 3bn cnbic feet a day of gas was flared off, and that the consumed by industry, as a feedstock for the petrochemical sector, and in the re-injection of gas for secondary oil

These figures do not jibe with a Pemex official's estimate that in the Campeche fields alone-where there are no faci-There are ambitious plans for lities yet for gas recovery-100m cubic feet a day was burned off balancing act will become more last year, nor with the suggestion by Pemex's own research arm, the Mexican Petroleum is expected to double to 500,000 Coatzgcoalcos. Pemex intends Institute, that domestic con- b/d during 1980, and the new

> given Pemex the flexibility to cut down on gas wastage, and to tailor output more closely to

Pemex can take pride in the capacity of 1.9bn cubic feet a 774 miles of pipeline built so day and two sweetening plants far. One of the most ambitious with processing capacity of projects ever undertaken by the 1.9bn cubic feet a day. Two State monopoly, it was built in additional cryogenic processing 17 months, despite baving to After the 1977 deal fell plants are under construction, cross 20 rivers and 221 canyons, through, Pemex defiantly declared that the 2bn cubic feet a day that was to be delivered day.

feelings have cooled.

POTENTIAL LINK TO USA

The pipeline is capable of carrying 800m cubic feet a day of gas with the pressure generated at Cactus, but with the addition of 17 compressors the capacity can be boosted to 2.7bn cubic feet a day.

Pemex is also entitled to claim some success in progressively reducing gas flaring, despite the sharp rise in nil production over the past four years. In this respect, production propremaining 2.8bn cubic feet was lems in the Ferma fields last year were a blessing in disguise. The shortfall was made up from Campeche, which has a lower proportion of gas to oil. Pemex ls also shutting down a number "dry" gas fields, incloding the giant Sabinas field around the northern city of Monclova, until the production is needed.

This year however the difficult. Production of crude oil from the Bay of Campeche sumption in 1982 would be around 2.1bn cubic feet a day:
However, the construction of gas than those already in operational gas trunkline has iton. But by the end of the year Pemex bopes to begin gas recovery from the

> At this stage it is difficult to see a point at which Mexico might crimp oil production to avoid wasting gas. The future level of gas ontont will be the outcome of a number of factors. incloding the level of local demand, the speed of economic growth, the ratio of gas to oil in future discoveries and perbaps, the willingness of the U.S. to pay the "right price" for more supplies.

> > Raymond Whitaker

# Big U.S. market paramount in foreign affairs

'I THINK the Mexican Govern- biggest the North and the difficulties they experience sharing thousands of miles of common sharing with the U.S.," Brazilian economist remarked to me a few months ago. "I wish to goodness that Brazil had Mexico's lnck in being sited on the frontier of the biggest import market in the world."

For a century the U.S. has been the major foreign affairs problem of the Mexican Government. In 1848 the Treaty of Guadalupe Hidalgo formalised the loss by Mexico to its northern neighbour of half its territory—vast tracts of land which oow make up California, Oregon, New Mexico and large

parts of other states. As Washington consolidated its bold on, and started developing, what was its Wild West and later its Golden West, politiciana and soldiers in the U.S. capital continued to demand a say in the affairs of their southern neighbour. The last direct military intervention by the U.S. in Mexico was as recent as 1917.

#### Slackened

But even after direct intervention by the U.S. slackened as Mexican politics lost some of their turbulence, Washington continued and still continues today to be the paramount sub-ject of Mexican foreign policy considerations.

Some two thirds of Mexico's Mexican exports to the U.S. foreign trade is with the U.S., four-fifths of fuel exports go to the U.S.; U.S. private invest entry to the General Agreement ment is the largest section of on Tariffs and Trade (GATT).

ment should stop complaining visitors; Mexicans at any time Mexican goods in the U.S. which endlessly about the Colossus of can sell their pesos and buy are now all too subject to the can sell their pesos and buy U.S. dollars at will and there dollars at will and there would be no effective means of enforcing any exchange control along the border if ever any Mexican Government decided it would try and attempt it. Mexico earns billions of dollars from the remittances of Mexicans working in the U.S. and U.S. cultural infinances, from U.S. daily newspapers to cable TV, are freely available in major Mexican cities.

> It is no wonder therefore that relations with Washington loom large in Mexican Government circles. Yet the big new finds of gas and oil and the evident U.S. thirst for them has forced Mexicans to co-ordinate their political and economic strategies towards the U.S. and think more systematically of ways in which they can get the greatest possible advantages from Wash-

Last month, Mexico demonstrated to the world ets unwillembroiled gratuitously in Washington's quarrels by refusing to receive back the Shah who had left the country for medical treatment in the U.S. Unexpected as the move may have been to the U.S. Government, it certainly lay squarely within the prerogathe Mexican authorities.

More benefits in the form of confinued and assured access for market are now been sought in entry to the General Agreement all foreign investment in the Proponents of entry argue that country. U.S. tourists form the admission to GATT will per-

contingent of foreign manently assure markets for are now all too subject to the protectionist pressures of U.S. domestic producers. They add that a sufficiently long period of adjustment would allow Mexican industry to adapt to a freer import regime. "As things are at present," one Mexican trade official

remarked, "Mexican fruit and vegetable exports to the U.S. are stopped at the border every time there is a big outcry from U.S. growers with access to some influential person in Washington Under GATT, the U.S. Government would have to prove its case before an inter-national body before it could put on import restrictions."

#### Advantages

By negotiating liberal terms for entry into GATT and by seeking to condition increased exports of fuel to the U.S. to undertakings by Washington to give fairer treatment to Mexican exports and indeed Mexican immigrants in the U.S. the Mexican Government is seeking to make the best of the powerful oil card it has got to play. In that sense, Mexico is now getting down to aceking the advantages in the U.S. of which the Brazilian economist was so envious

The businesslike attitude adopted by the Lopez Portillo administration contrasts with economic . the declamatory postures of the previous administration of Presideot Luis Echeverria. The Third World rhetoric that the market are now been sought in latter employed succeeded in the negotiations for Mexican irritating Washington to the maximum while not achieving any concrete economic advantages. Despite diligent searches in the Third World, the Mexi-

cans could never find the markets or the suppliers there able to take the place of the U.S.

Though Mexico's trade relations with the European Economic Community add up to only one quarter of the vaine of trade with the U.S., the Com-mission in Brussels and individual member countries are courting Mexico assiduously for its oil supplies and for contracts to supply plant and technology. In the autumn, Herr Wilhelm Haferkamp, the Brussels Commissioner for External Relations visited Mexico City to press the case for closer Mexican-European relations. Mexico has in the past looked

to Europe to help offset the imbalance of its trade with the U.S. and France and Spain In particular could develop into reasonably important clients for Mexican crude oil.

With former Echeverria'a drive to make friends throughout the Third World in abeyance, the most important political initiative developing countries has come with the effort of the ruling PRI or. Institutional Revolutionary Party to forge links with political parties in Latin America This was formalised **Political** last year with the creation of a Committee of Latin American Political Parties, whose delegates meet in Mexico City four times a year. The PRI's idea has been welcomed by many left of centre parties in the region. particularly those of Central . America Spanish speaking Caribbean who see the PRI as a source of moral and financial support in their struggles with their opponents.

H. O'S.

Leading Mexicans: William Chislett describes a day in the life of the President and explains the philosophy of the country's leading trade unionist, while Hugh O'Shaughnessy writes about a professor of economics who is about to launch a news magazine.

ary 11 1980

NKTOUSA

ve "Toied. eline to capale

(Our cubic feet is with the presult factors but to compress to of 14 compress to of 14 compress to of 14 deep to of 15 compress to of 15 com ert a der s success in pres some las dance! OTT THE ID OF PER nett productions a til e-vine in den mac eber en e cor has a fe 30 10 c 272 1-or an order : 22:30

lande tid 😘

good White

Jose

# Lopez Portillo

GOVERNING THIS country of 68m people spread over 31 states, which vary from the propical to the barren and arid demands tremendous energy and a few heads of state are as energetic as President Jose Lopez Portillo. Economist, lawyer, philosopher, painter, novelist and athlete, Sr. Lopez Portillo, who is now half-way through his six-year term of office, is regarded as the most "prepared" president Mexico bas ever bad.

Compared to his predecessor. Sr. Luis Echeverria, president Lopez Portillo'a style is more pragmatic and less extravagant: wo qualities which were considered necessary when he was chosen in 1976 from his post as Finance Minister to succeed the populist Echeverria.

President Lopez Portillo rose up the ladder through a series of posts in the ruling Institu-tional Revolutionary Party end the bureancracy. After studying law in Chile on a Chilean Government scholarship, he taught at the National Autonomous University, one of the state universities in Mexico City, and also practised as e

He joined the PRI in 1959, was an adviser in the Ministry National Resources from 1959-60, end until 1965 worked on aeveral studies, including urban development and electoral processes for the PRI. During the Diaz Ordaz Government he was Director General of the legal adviser's department in the Presidency Ministry from 1965-68. When his friend from schooldays, Luis Eche-verria, became President in 1970. he was named Deputy Minister for National Resources, Later he beeded the Federal Electri-

city Commission and became Finance Minister in 1973. Just keeping in touch with the pulse of the 31 states makes it necessary for him to make. at least 60 trips a year out of Mexico City. To accompany him on one of these trips is to get a privileged insight into whet makes this complex country tick and into the character of a president with immense centralised power.

This time it was the turn of army barracks. Chihnahua, one of the least Another military sainte, a few (he has collected many such populated but the largest state waves by the President to the titles) and at the university was in Mexico. It borders the U.S. crowd and then a drive through presented with a scroll to comand is an important area for ranching and mining. Being so near to the frontier, it is also the source of a let of illegal emigration to the U.S.

Accompanying the president were several Ministers, including those for defence and planning, Vice-Ministers, the head of social security, the Governor of Chihuahua and bodyguards.

The President has an ecute sense of punctuality, a most un-Mexican trait, end everyone had to be at the city's airport half an bonr ahead of him to board Quetzalcoati 2, one of the two presidential jets which Sr. Lopez Portillo named personally after Mexico's legendary pre- ceremonies during the trip and

MANY OF THE most promising ventures in the often undis-tinguished field of Mexican

journalism beve in the past

been linked with the name of e young professor of economics. Later this week another new

magazine, Razones, a serious news fortnightly, will eppear bearing the names of Samuel

I. del Villar and a group of his

At 34, del Villar teaches economics at the Colegio de Mexico, the Mexican equivalent

of All Souls College, Oxford, and et the faculty of political sciences of UNAM, the National Autonomous University of Mexico, the country's biggest.

Since his student days he seems to have combined a devotion to economics with at least as

strong a desire to get bis own

views about the subject over to

Before he had got his first

degree at UNAM he was e

columnist on Excelsior, Mexico's

biggest daily newspaper and he

continued to write for It as he went off to Harvard Law School,

the London School of Fronomics

and the Institut de Science

But in his latter days with

e mass audience.

Politiques in Paris.

colleagues.



to harangue.

this problem.

for lunch.

than 100 inhabitants each) and

how the state would now tackle

opening of a meteorological

stetion: where the President munched on a Chihuahuan

apple; a 50 minute session in

the local Lion's Club to bear

reports on the state of public works and industry programmes and then an bour's journey by

air to the town of Casas Grandes

This, time the guests were

farmers and after a quick meal

of turkey and apple pie there

ing a speech thanking the pre-sident for his support by, as the programme called him "a pea-

sant." The peasant was well dressed and did not look as if

he bad been labouring very

made a lightning visit by heli-copter to an eiido (state owned smallholding) and then re-turned to Chibuahua to in-

augurate some bonses built by

the Government's aocial security

The next morning the Presi dent was made an bonorary

citizen of the state of Chihuahua

memorate his recent initiative

in enshrining in the constitu-

tion the principle of eutonomy

joking with bis Ministers that

they wouldn't score any political

On both occasions he

After lunch, the President

much in the fields.

Autonomy

agency.

improvised,

This was followed by the

hispanic "white god man." Sr. it struck one as strenge until, Lopez Portillo is fond of making as the deg got longer, the funda-mythological references in his mentel purpose of such visits speeches and once wrote a novel about Quetzalcoatl, who fled Mexico and returned, so the Indian population of the day mistakenly thought, as Hernan

Cortes the Spanish conquistador. During the flight, the President caught up with writing letters, but unlike many presidents did not revise his speeches, for most of them are improvised. He read a synthesis of the day's news, prepared for him by bis Press secretary, which was divided into "favourable" and "unfavourable" items. That day only one story was merked down as critical—an editorial in the independent newspaper Uno Mas Uno about falling agricultural production and the Government's inability to solve the problem.

After almost two bours we arrived at Chihuahua, coming in to land over a mountainous, lunar, landscape, dotted with scrub. There was the ritual salute and a well small crowd of local military ordered. people holding aloft freshly printed banners, bearing the inscription of the Institutional Revolutionary Party, which has ruled Mexico for 50 years.

No sooner had we got our feet on the ground than we were off again, this time in several small Arava aeroplanes belonging to the Mexican Air

Force. They took us to Ciudad Cuaubtemoc, half an bour away.
We fiew over miles of unpopulated land, given over, where cultivatable, to maize and other crops, and landed on a dusty, strip of field at the local army harrorks.

the town in the presidential bus to open a food factory. Before he boarded the bus a cowboy-betted individual managed to for universities. thrust a letter into the President's hand, asking for a solntion to a problem. Mexican bureaucracy is so unwieldly and slow that everybody tries to cut through the deunting paper-work and delays by finding a "contact"—and who better than the President?

The President cut the ribbon to open the state factory which makes an enriched mixture of maize and soya bean, but did not utter a word. This was something which happened et other points if they beat him.

Excelsior, under the editorship

was rapidly and uncompromis-

ingly irritating the president of

the day, Luis Echeverria

Alvarez, with its tart references

to enormous social problems

of a country where the gap

between the rich minority and

the poor majority was getting

bigger and bigger. In the end

President Echeverria's men

Samuel I. del

# labour movement together for almost half a century. More than anyone else, he has been the architect of the delicate

and immensely complex relationship between the Government, the unions and the private sector which has permitted Mexico to enjoy high and sus-tained levels of economic growth and 50 years of political Despite his age, he is still a

federation of Mexican Workers

(CTM), has beld Mexico's

much revered and controversial figure in Mexico. His many admirers regard him as one of the few statesmen the country has produced this century. His critics, on the other bend, accuse bim of creating an aristocracy with the workforce which has sold out to the Government and bowed to private sector pressures maintain the atatus quo.

Only about 4m out of a total work force of 18m (balf of became clear: the President which is unemployed or underwas here to listen and to be seen to be interested and not employed) belong to unions and 3m of them are in the CTM. The CTM is the backbone of the labour wing of the Institu-tional Revolutionary Perty. This gave the factory's manager a chance to stress the lack of untritious food in the which has ruled without oppoarea (Chihuahua bas 4,000 isolated communities of fewer sition for 50 years.

There is some truth in all the different points of view, but no one denies that Don Fidel, as he is generally called, will figure very largely in the history books of 20th century Mexico and that when he goes, the country's unions will not be the

rumours that be will present his around. resignation at the CTM's national congress later this year. "It is not just my wish," he told me. "We have analysed and cannot reach any other conwas a series of reports on the clusion. There are meny people state of the countryside, includ-

# Fidel Velazquez SR FIDEL VELAZQUEZ, the 79-year-old head of the Con-

who can take my place, but not all want to assume the responsibility and not all have the

necessary coosensus. Don Fidel's softly spokeo, carefully phrased words underlined the feeling that it is not in the Government's interests this critical moment, when Inflation is threetening the expansionary growth plans, to change the linch-pin of the

Sr. Velazquez was e key figure in supporting Sr. Lopez Portillo's presidential candidature.

system perfectly and has fund. mastered its rhetoric to a tee. No other figure in Mexico has kept his post under so meny weeded out of the CTM. The that every six years, with the same.

He dismisses with a laugh the key positions change cal power. entry of a new government, all

line that inflation has to be the situation for the past year fought by moderating wage increases. ever, is now losing some of its them to be."

attraction as workers have lost at least 20 per cent of their purchasing power in the last three years and are becoming impetient with the Government.

Don Fidel started work after primary school as a farm labourer and milk roundsman. In 1921 he joined the milk industry's union and two years later he beaded it. After the PRI was formed in 1929, he was instrumental in bringing over workers to the party's labour sector and in 1936 founded, with Sr. Lombardo Toledano, the CTM. He took over the CTM in 1941 after menoeuvring out Marxist Toledano. Sr. Valezquez has been a senator on two occasions, and since 1951 vice president for Laun America of the International Confederation of Free Trade

His life style is modest and low key compared to other figures and he is renowned for making few public announce-ments and not speaking to the press. He is not driven about in the customary bullet-proof black limousine but in a less extravagant green saloon; all of which enforces his image es e worker. Don Fidel accepts that "there

will never be in a country like Mexico sufficient work" and so be said be was proposing, so He knows the workings, the far without success, the creetion intrigues, the treppings of the of an unemployment benefit

He told me that the Left wing "democratic tendency" has been in improving the conditions of workers but in obtaining politi-

When I asked him bow he For the past three years he reacted to the concern being has successfully persuaded expressed privately by businessworkers to toe the Government's men that things will not be the same after Don Fidel, he leant back in his chair, laughted and This argument, how- said: "There's no reason for **Export Finance Throughout** The World

TENNANT



GUARANTY LTD.

#### the specialists in financing **MEXICAN TRADE**

Tennant combines group funding capabilities in London, Paris, Brussels, São Paulo and New York to provide finance for export trade to Mexico from all major world markets.

Representative Office:

TIMSA, Rin Guadiana 23, Mexico 5 DF Tel: 546-60-38 and 566-84-60 Telex: C/O BRITCOM MEX 017-71-036 Please contact: Mr. Wolf Curtis

Head Office: 1 Seething Lane, London EC3N 4BP Tel: 01-488 1300 - Telex: 885720/885555 TENGYL G Cables: TENGYL LONDON EC3



#### British Engine Insurance

Construction and Engineering **Insurances** in Mexico.

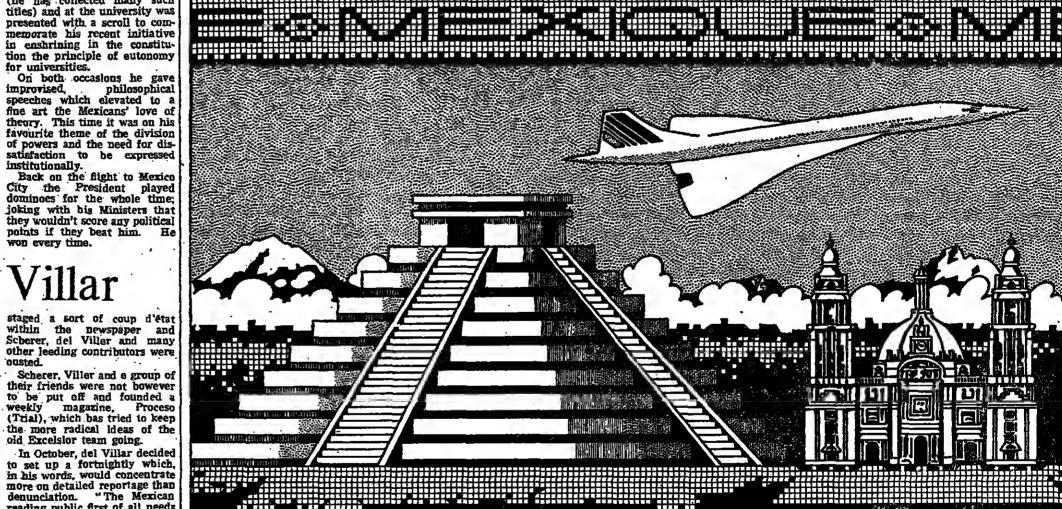
Discuss your requirements with the specialists.

**British Engine** has a Service Office in Mexico. Contact:

Tei- 061-833 9282 Telex 667745 Bill Roberts Letomex SA Leibnitz 270 Mexico 5DF

Property in Mexico must be insured in Mexico

# Concorde Mexico.



Concorde Mexico City. Now you can take the Paris-Mexico Cancorde and arrive in Mexico City from Europe faster than by any other aircraft in the world. Only Air France offers you Mexico in the supersonic Cancorde. There are two flights a week, every Wednesday and Sunday, leaving Paris-Charles de Goulle at 8 p.m. and arriving in Mexico City at 8.50 p.m., via Washington, D.C. Our Paris-Mexico route takes only 7 hours 50 minutes, as compared with the fastest subsonic flight, which takes 13 hours 30 minutes. You'll arrive Weds, Sun.

in Mexico City relaxed, with the whole evening ahead of you. There are convenient connecting flights from all major European cities to Paris, and at the other end of your flight, there are also interesting connections to Central America. Take advantage of the most convenient Europe-Mexico flight ever, aboard Concorde. It's part of our growing Cancorde network, now regularly serving New York, Washington, Dallas-Fort Worth\*\* Caracas, Rio and Dakar.

11.35 p.m. ma 8 Paris Ch. de Gaulle (local time) (locol time) 8.50 p.m. 9am Mexico City (local time) (local time)

The best of France to all the world.

\*Volid between October 1st and 30th. \*In association with Braniff International.

within the newspaper and Scherer, del Viller and many other leeding contributors were

> Scherer, Viller and e group of their friends were not bowever to be put off and founded a weekly magazine. Process (Trial), which has tried to keep the more radical ideas of the old Excelsior team going.

In October, del Villar decided to set up a fortnightly which, in his words, would concentrate more on detailed reportage than denunciation. "The Mexican reading public first of all needs to be informed," be commented.

So with a team including Rafael Segovie, Fernando Rosenzweig, Miguel Angel Granados Chapa and Blanca Torres and e tiny bnoget of of Julio Scherer the newspaper around £20,000 he is setting up to conquer a circulation of

> Contributors are going to be paid for their work with shere certificates rather then money until the magazine has reached its break-even point. There can be no doubt that

the Mexican press would be much, healthier, and indeed more interesting, if Razones were to succeed. It is a fault of many of the country's newspapers and magazines that they are unwilling to separate news from advertisement and in many newspapers one is never sure who paid bow much to have what story printed in the newspapers. Some of the larger circulation newspapers daily carry acres of photographs of society events, often of a flashiness and vulgarity offensive not just to the susceptibilities of the average Mexican striving to exist on a wage of £8 a week, but also to common

Despite del Villar's commitment to a more honest Mexican press ha has been retained as an adviser to various Government departments:

### **MEXICO: Prospects for Agriculture**

is the title of a new report from the British Agricultural Export Council which tackles the problems of:

• How Mexico will spend its petrodollars • What effect oil wealth will have on the rural sector Separate chapters deal with the impact of oil on the aconomy, a review of current crop and livestock production, pointers to future agricultural and agra-industrial developments, and areas of export opportunity for the UK.

Copies (£35 each, £25 to 3.AEC Members) from BAEC, 25 Belgrave Square, London, SW1X SQM.

# National Westminster Bank Limited

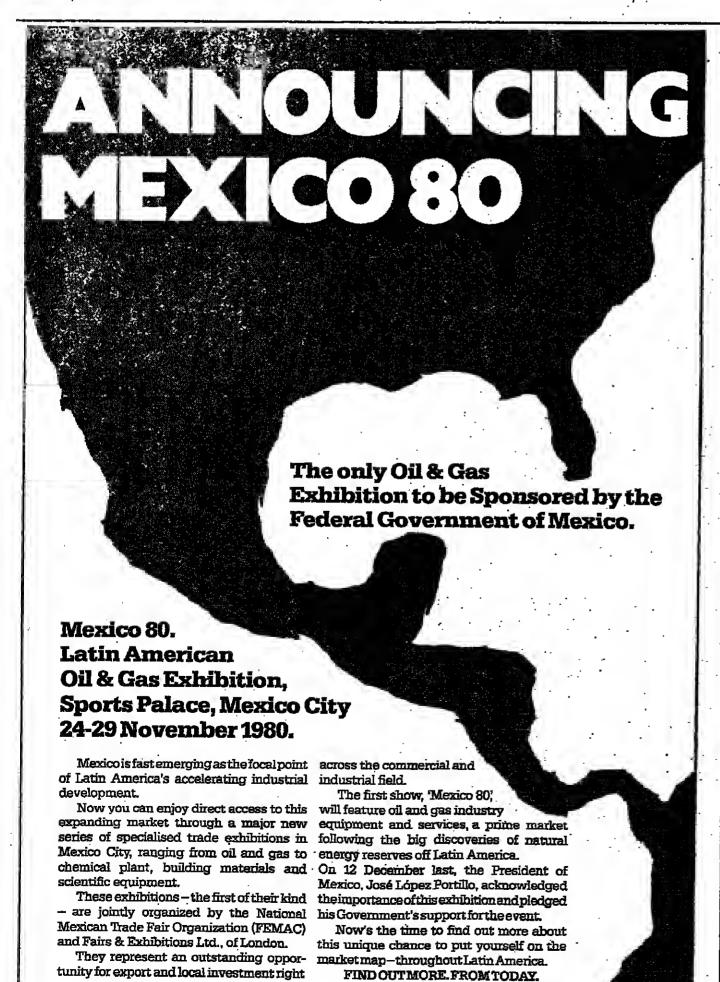
# Representative Office now open in Mexico City

Address: National Westminster Bank Limited Representacion en Mexico, Paseo de la Reforma 199-1102. Mexico 5 DF Telephone: 592 4022 Telex: 017 71 786 Cables: NATWEB MEXICO

Representative: José Larrondo

# National Westminster Bank Group

"A WORLDWIDE BANK



Fairs & Exhibitions Ltd., 21 Park Square East, London NW1.

Ferias Y Exposiciones Mexicanas A.C., Mannel, M.a. Contreras

Tel: 01-935 8200. Telex: 299708 Efance G.

133-116-121, Mexico 5D.F. Tel: 566.7111

Mexico's biggest pyramid, El Castillo, at Chichen Itza, Yucatan

# Tourist industry has massive potential

MANY RECORDS were broken in Mexico's fledgling tourist in-dustry last year and there is

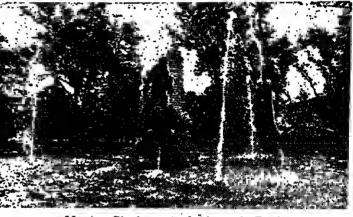
largely untapped. Mexico has everything to offer the tourist: fine weather most of the year; places of great scenery; a basically bospitable · political moderate prices and a generally

good infrastructure. the first 11 months of las year the Tourism Ministry estimated that 4.2m people visited the country as against 3.7m foreigners in the whole of 1978 and 3.2m in 1977. On average they spent \$338 during their compared to \$326 in 1978; hotel occupancy rate was 78 per cent as akainst 65 per cent in and the net contribution to the country's balance of payments was \$760m compared to \$602m in 1978.

If border crossings from the U.S. into Mexico are included in the tourism account-which they are not by the Tourism petrol. Ministry—then the net revenue earned was \$1.6bn; 17 per cent more than in 1978. Tourism contributes about 7 per cent of

The year would bave been better but for a 25-day strike by the private airline company Mexicana which cost the tourist industry at least \$30m. Mexico's other airline, the

State run Aeromexico, transported 65,000 people last year just between Mexico and the U.S. and this year forecasts 860.000; a 30 per cent increase.. U.S. visitors provided 85 per cent of Mexican tourism business last year with 10 per cent from Japan and the rest from Europe. For U.S. citizens Mexico, even more than before, has become an exceedingly which resulted in pro-Israel attractive place. Ironically this lobbies manoeuvring to dishas become an exceedingly is partly a result of the sharp courage tourism in Mexico, and



Mexico City's central Alameda Park

cltizens come to Mexico by aeroplane than by car, although last August the flow of cars over the border experienced a sudden surge for many U.S. families were crossing into Mexico just to buy southern neighbour's cheap

Mexico's Tourism Minister. Sr. Gnillermo Rosell de la Lama. put the situation in nutshell last year when he said that it was cheaper to fly from Houston to Caocun. a Gulf Coast resort, than to drive a few bundred miles in the U.S. Mexico's air fares rose last year by around 15 per cent compared to a 63 per cent rise in U.S. petrol

#### Erratic

Prior to 1978, Mexico's tourism industry showed rather erratic, growth. This was due various. factors including by Mexico's decision to vote in favour of the UN resolution equating Zionism with racism.

The petrol rises bave bad the of finances to promote the in-effect of making more U.S. dustry.

Recession persists, particu-larly in the U.S., but this baa not produced any decline in the number of U.S. tourists. row about Zionism bas died down as Mexico has carefully smoothed over the affair and, with the increasing oil revenue, the Mexican Government has more resources to improve infrastructure and make credit available to the private sector.

FONATUR, the Government's agency to promote tourism. granted credits 4.6bo pesos (\$203,5m) last year compared to 3.8bn pesos (\$168m) in 1978. From 1957 to 1978, FONATUR only granted credits worth a total of 8.5bn pesos and 93 per cent of them were made available in the last six years.

Last year, 180 hotels were completed which provided 11,000 more rooms. Private investment in tourism last year was 6bn pesos (\$1.1bn).

Next year, 18,600 rooms are planned to cope with an expected inflow of foreign visitors of 4.7m and growing domestic tourism. The domestic front is where the greatest growth is increase in U.S. petrol prices. the Mexican Government's lack forecast, for more and more days in their own country. Over four times as many Mexicans take their bolidays in Mexico as

As more new areas are opened up, like Chiapas in the tropical south and Baja California, the peninsular in the north, so the pressures on the tourist industry to keep no with services wili become intense. The Government is deliberately adopting a policy of trying to co-ordinate growth in the tourist industry with a realistic assessment of the capacity of different areas meet demand. 'We don't want another Costa Brava here, demand.

The Mexican line is to promote the image of Mexico as able to offer quality rather than going hellbent on attracting as

many people as possible The domestic factor in tourist industry will become increasingly important as the purchasing power of the middle class rises. Last year, the S1.4bn country was almost balved to \$760m net by the spending of Mexicans abroad. This outlow of tourist revenue is spnrring the Government to encourage more Mexicans to explore their

own country.

At the same time, the Government is anxions to avoid exacerbating the country's social problems by opening up impoverished areas too quickly to tourism. Officials say they have learnt from the experience of turning Acapulco on the Pacific coast into a tourist's paradise which, as one official put it, "is surrounded by a belt of misery."

The contrast there is sharp. Up in the hills families in shacks, without water and electricity, look down upon the bay of Acapulco which glitters with villas and high riae hotels,

William Chislett

# Industrial areas take shape

SIX YEARS ago Lazaro industrial areas of the future. Cardenas was a sleepy little. The Government is rapidly other fruit. It was a place wblch typified the commonly held imaga of Mexicans spendunder the shade of cactus, oblivious of the world.

Today Lazaro Cardenasnationalised Mexico's oil industry in 1938—is in the throes of Sicartsa steel mill, which is flanked by palm trees and the hlue ocean.

As Mexico's oil revenue pushes the economy into high being quickly developed. out of overcrowded Mexico City will become greater. Over half the country's industry is sited in the capital, 7,000 feet above sea level, and a fifth of its 68m population live there. The demands of a population grow- Every street is paved, ing by 3 per cent a year make that the huts have been it imperative that new areas replaced by brick houses, and be developed and the gap between town and countryside narrowed.

Last year the Industry Ministry recognised this need for decentralisation and an mouth the town was joined to nonneed that Lazaro Cardenas the national railway system along with Saling Cruz, also on when 100 miles of new track, the Pacific Coast, and Tampleo much of it through mountainous and Coatzacoalcos on the Gulf terrain, was inaugurated. Coast would be developed as the Lazaro Cardenas began to be

Pacific coast village of about laying down infrastructure, pareked out their isolated lives by selling coconuts, mangos and other fruit It was a selling coconuts, mangos and other fruit It was a selling coconuts, mangos and other fruit It was a selling coconuts, mangos and other fruit It was a selling coconuts, mangos and other fruit It was a selling coconuts, mangos and other fruit It was a selling coconuts. four ports. The carrot to attract private industry out of congested Mexico City, where ing warm summer afternoons industry no longer enjoys any incentives, is 30 per cent cheaper electricity, natural gas and fuel oil as well as generous named after the general who tax credits according to the number of jobs created.

By siting the development becoming one of the country's areas on Mexico's two coasts the four port development areas. Government is hoping to relieve The traditional straw sombrero the serious "bottleneck" probhas given way to the metal lem in transport. Industry belimets used by the 5,000 steel would be able to export and workers at the town's giant import right on its doorstep and not, as at present, bave to bring or send products from the top of a mountain-Mexico City.

Lazaro Cardenas itself is gear so the need to decentralise population of the area has grown to around 60,000 in the last six years and by 1990 is projected to be between 300,000 and 850,000, depending on bow briskly private industry takes the initiative.

> the old town hall replaced by a new large building. "Superman" is showing at the new cinemas. Roads link Lazaro Cardenas

> to the north and south and last

transformed when the last Government decided in 1973 to site the Sicartsa mill on the Pscific coast. The mill's present installed capacity of 1.3m tonges will be raised through four stages to 9.9m tonnes by 1990, when it will be one of the largest steel complexes in the world. Sicartsa's second stage will start this year.

The deep natural harbour at Lazaro Cardenas has the potential to be the country's largest port and plans for auch a development are on the drawing

#### Waiting

The private sector bas bought many plots of land from the Government's special com-mission for the area—which says that it is controlling land speculation by making it a condition that plots resold bave to be first offered back to the commission. But husinessmen are waiting until the infrastructure is a little more solld before starting to build.

The task of making Lazaro Cardenas into the Milton Keynes of Mexico bas been far from easy and the path ahead is still fraught with dangers, most of them the inevitable consequence of bringing industrial development to a country where unemployment and underemployment affect over 40 per cent of the work force and the gulf between rich and poor is

Lazaro Cardenas has already bad one "black era" when the first stage of the Sicartsa steel was constructed. Since then Government planners have

last been working hard to avoid a repetition of that occasion, when grussly inadequate services and a ateady uncontrollable flow of workers into the area gave rise to a tense, sometimes violent atmosphere. There were street fights, a lut of beavy drinking and a sbarp increase in the crime rate.

At the height of construction activity in 1976 there were almost 100.000 people in the Lazaro Cardenas area. Whole families came, lured by the cbance of work. But there were nowhere near enough schools, clinics and houses. That gap has now been filled, says the eommission.

Management at Sicartsa found it very difficult to keep workers at the mill because their families, often from areas-hundreds of miles away from Lazaro Cardenas, could not adjust to the tropical climate and the strange new surround-

In 1977 42 per cent of the Sicartsa work force changed during the year. This very high turnover, which had a marked effect on production causing it to lag way behind capacity, pushed Sicartsa into what it calls a "social action" programme.

Last year the situation had improved to such an extent that the turnover rate was down to 14 per cent Sicartsa's cultural programmes, cheap mortgages for workers and schools for workers children have helped families to adjust to a new land-

W.D.C.

# Agriculture in poor shape

Mexican agriculture, for long the most impoverished, politically sensitive and non-productive sector of the economy, and the prospects for 1980 are no better.

Last year the volume of production of the nine main crops fell by 9.4 per cent over 1978, according to the Agriculture
Ministry and the yield per
hectare dropped by 2.5 per cent.
Total production of the crops,
including corn, was 16.6m mpared to 18.3m tonnes in 1978.

Severe frost and drought, the worst for 30 years, were the main reasons for the fall la production, but as usual, antiquated farming methods, which still persist in many parts of the country; the lack of credit and played a significant role:

This decline in production was particularly serious because there were 2m more mouths to feed in 1979 than in 1978.

As a result, the Mexican economy, fuelled by the rising oil revenue, is poised to "take off for a sustained period of time without a solid agriculthral base: This will inevitably strain to an even greater extent the fabric of rural society, producing a continued and massive migration to cities and towns from the countryside and an agricultural production level unable to keep np with population growth.

For example, production of msize, the staple food for mil- 14.5 in 1977. lions of poor Mexicans, fell by 18 per cent and frijoles (kidney beans), another basic food, by 32 per cent. Imports can and do fill the gap between demand and production, but very often imported foodstuffs only reach urban areas and not those isolated areas where the increasingly furrowed by the poverty is greatest. This is prospect that a substantial because of the "bottlenecks" in amount of the revenue from the transport system.

#### Exports.

Mexico still managed an agri-cultural trade surplus last year, unofficially estimated at around \$400m compared to \$660m in 1978, thanks to exports of coffee, strawberries, tomatoes and other fruits and vegetables. However, such a surplus; the result of turning over some of the best irrigated land to capital intensive export crops, should in no way detract from the

enormous food problems. Nor should the fact that the of agricultural production approaches, and sometimes exceeds, the annual population growth rate of 3 per cent. Mexico's population growth rate is one of the highest in the

The volume of production, with so many new mouths to feed every year, is the vital Mexico's worsening balance of 123.9bn pesos, 74.7bn pesos payments situation of earning (\$3.3bn) is for new investment extra revenne.

By the end of the 1980s there costs ill be about 17m more Pro Mexicans, a 25 per cent increase ovr the present population of 68m. Mexico, by 1990, will be a richer society with a stronger internal market, but the dnal aspect of the Mexican economy. with agriculture lagging behind the other sectors, which are showing dynamic growth, will be even more pronounced.

At the moment, about 40 per cent of the population works in the countryside and produces a mere 8.4 per cent of the gdp. In 1960, 60 per cent of the population was employed in agriculture and produced 11 per

rate of 3.3 per cent, while the example, the last Government agricultural sector alone only expropriated a total of 168,236 increased by 1.6 per cent. The hectares in its six years of office picture which has emerged over compared to 10,609 hectares by the years is one of a stagnant the present Government in its sector with a yearly reduction first three years of office.
in the per capita agricultural. This more conservative policy flow from the countryside to urban areas, and the plight of those who stay in the country-side no better, if not worse.

A study published last year in the magazine of the Banco Nacional de Comercio Exterior (Mexico's foreign trade bank) revealed that, whereas in 1958 the country's richest 5 per cent bad an income 22 times greater desire, on the part of peasants, than that of the poorest 10 per cent, by 1977 the gap had widened to the richest 5 per cent land invasions.
having an income 47 times The sad fact of the matter,

a situation has been reached, for Shwedel, of Banamex, the it is the legacy of the policies of number two private bank, is successive governments which that there is not enough land have paid lip service to the to satisfy demand. He estimates ideals of the 1910 Mexican that 40m hectares of harvested. revolution. The revolution over: land are presently needed for threw the conservative dictator poor families to earn the

ship of Porfirio Diaz. But there is also another factor and one over which the there are only 39m hectares of Government has little control. cultivable land of which half Government has little control. This is the fact that Mexico's is currently used. mountainous topography and scarcity of water combine to worsen as the population rises.

around 30m bectares—about 15 more can be done to relieve the per cent of the country's total area.

The run off from all the rivers in Mexico is less than that rivers in Mexico is less than that of the Mississippi alone and ture is a key to higher production of the water resources are tivity for most of Mexico's concentrated in the southern, agricultural land is rain fed.

#### **CULTIVATION OF BASIC CROPS**

٠.	- 41	he	-	are	æì
-		-	•	- C	٠,
٠.		-			

1967-68	62,598	433,225	49,295	471,195
1968-69	70,101	435,461	57,330	514,853
1969-70	62,765	458,082	63,383	513,331
1970-71	62,556	429,557	73,994	405,011
1971-72	66,635	445,376	64,062	445,270
1972-73	58,422	583,459	80,102	453,983
1973-74	75,406	677,883	153,995	492,770
1974-75	125,367	682,887	227,264	541,126
1975-76	61,589	565,228	170,687	689,159
1976-77	99,810	907,446	128,476	502,900
1977-78	65,389	616,754	179,665	813,757

bectares of abandoned land. But

bringing more land under

improving Mexico's food plight.

Irrigated land is mainly used for lucrative export crops like

strawberries and is in the hands of "modern" farmers. Corn and beans, the basic lngredients in the Mexican diet.

concentrated on rain fed

This raises the question of whether the Government should

consider switching irrigated land out of export crops to atrive for food self-sufficiency,

or continue to enconrage export crops, often labour as well as capital intensive, in order to generate more rural opportuni-

ties and to pay for the increas-ing import food bill.

Judging by the little comment which such a question has raised, it would seem that the

Government will not change its

However, the Government has

made it clear that it will not

circles in the U.S. last year, it

was quickly scotched in Mexico

for political and nationalistic

The barter idea highlighted a

feature which will become more

prominent in the next decade

This is Mexico's growing dependence on the U.S. market not only for capital goods, but

This increasing interdepend-

solve amicably the conflicting interests of U.S. and Mexican

growers. For example, Florida

tomato growers brought anti-

dumping charges against Mexican growers last year.

charges were overruled by the U.S. Treasury Department.

The future panorama, thee, is not at all promising and the

level of Government interven-

tion in agriculture will have to increase to make sure that the deteriorating situation does not

get ont of hand.

present policy on this matter.

Scotched

Source: Government report 1978.

tropical areas of the country. Last year's aim was to hring These regions have yet to be into the irrigation system a fully developed. further 226,248 bectares and to

There has been a steady decrease in the land harvested per capita from 0.29 hectares a Mexicao in 1970 to 0.23 hectares last year. The sharply rising population and the lack of credit to enable farmers to use more modern methods are mainly responsible for this failure to increase yields.

expressed in constant 1960 pesos, granted by private and state banks to the agricultural sector, amounted to 17.7bn per compared to 15.8bn in 1978 and

Were it not for such a rapidly increasing population, Mexico's agricultural problems would not be so acute. But, with such a population growth rate, which is faster than the ability to open up new land, the brows of government officials are becoming Mexico's oil exports might have to be used by the end of the century to pay for imports of basic food stuffs.

Mexico was a net exporter of cereals in the late 1960s. Last trade oil for cereals. When such year, over 2m tonnes of cereals an Idea was raised in some had to be imported and this year, officials are talking of 6m tonnes because of last year's bad harvest. Sugar is another, but not so serious, problem and this year Mexico might be unable to reach its export quota, Many of the poorly-managed, rundown sugar mills are being turned over to the Government.

Given this dire situation, it is also for grains and oil seeds. government makes much of the encouraging to see that the government makes much of the encouraging to see that the This increasing interdependissue that the increase in the present Government is starting ence between the U.S. and value, as objoosed to the volume. In give priority to agriculture, Mexico, fostered by Mexico's This year's budget for the oll, will not make it easy to agricultural sector is 123.9bn solve amicably the conflicting pesos (\$5.4bn); a 36 per cent increase over last year. Agri-culture's share of the total budget has risen and agricultural economists have also encouragement from the fact that, probably for the first time, most of the agricultural factor, although this is not to budget is capital and not belittle the importance to current expenditure. Of the and the rest to meet running

> President Lopez Portillo is also less prone to make political capital ont of the battlecry of tha 1910 Mexican Revolution, "Tierra y Libertad" (Land and Freedom). Instead of concentrating on land ownership-given the scarcity of land—he is pressing the need to increase production. He has said that land distribution continues at the present rate then every-one will be left "with a piece

He bas slowed the pace of dividing up and expropriating land, which was greatly cent of the gdp.

Between 1965 and 1970, the accelerated by his predecessor, GDP grew at an annual average Sr. Luis Echeverria. For rate of 5.5 per cent, while the example, the last Government

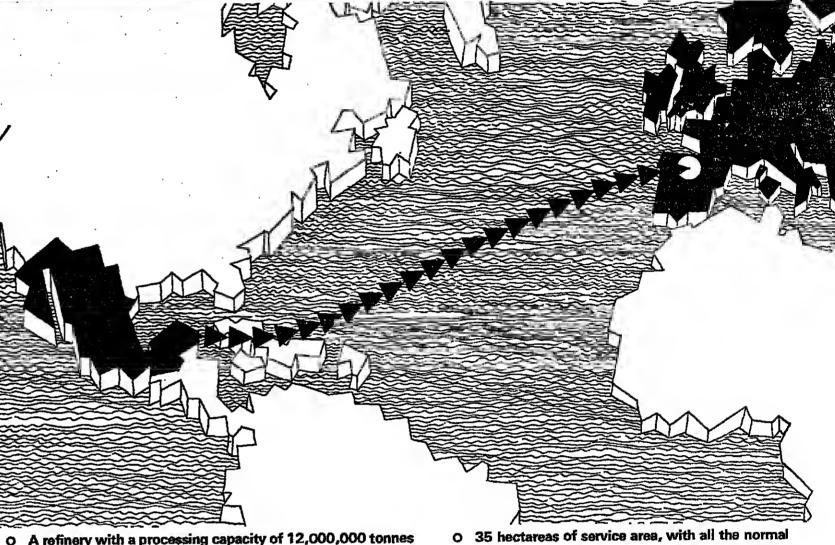
product: little stemming of the has, of course, greatly pleased the land-owning elite, which has managed to get around the laws which restrict the size of hold-ings to 100 hectares of irrigated land and 300 bectares of non-

irrigated. Political pressures however, could very well lead in the future to a stepping op again of expropriations for the to own land is intense. From time to time this erupts into

reater. argue leading agricultural it is not surprising that such economists like Dr. Kenneth minimum dally urban wage of 120 pesos (\$5.4). Bot, at most

This scarcity of land will the cultivable area to At the same time a great deal

# PETRONOR "LINK FROM... MEXICO TO EUROPE



- A refinery with a processing capacity of 12,000,000 tonnes of crude oil per year.
- A tank farm with a total capacity of 2,115,000 m.3, linked to the port by a 6 km. pipe-line.
- O A port with terminals to accommodate supertankers of up. . . . . . to 500,000 tonnes and 30 m. draught.
- port installations.
- A fleet of four supertankers with a total capacity of 1,107,000 tonnes.

The shareholders of the company are: CAMPSA Petróleos Mexicanos (PEMEX) - Banco de Bilbao -Banco de Vizcaya and Cajas de Ahorros de Bilbao

# **PETRONOR**

efineria de Petróleos del Norte, S.A.

Plza. Carlos VII 1. Bilbao-9 Avda. del Generalísimo. 61 Madrid-16 'SPAIN

Bankon Grindlays

in Mexico

The Grindlays Bank Group, through its representative office in Mexico, head office in London and branch network serving more than 35 countries, offers a wide range of services in Mexico.

☐ Project Finance, Term Loans and Trade Credits to public and private sector borrowers. 

Export Finance using the facilities of ECGD, COFACE, Eximbank and EDC. 

Treasury Services for official institutions and corporations, through New York and London. 

Participation in Anglo-Mexican joint ventures, through Brinmex, in partnership with Nacional Financiera S.A.

Grindlays is proud of the role it has played in Mexican commercial and industrial development over the years.

For more information on the Group's financial services to Mexico, contact:

Len Mayer - Lefo y Mayer S.A. The representative of **Grindlay Brandts Limited** 

Tel: 254-1122 Tx: 017-71583 Oenis Gallet - Grindlays Bank S.A. Tel: 266-62-22 Tx: 210026

Frank Riess-Grindlays Bank Limited Tel: 01-626 0545. Tx: 889304/889305

Joao Van Zeller-Grindlays Bank Limited Tel: 231-8886/5233, Tx: 46364

Geoffrey Pack-Grindlays Bank Limited

Tel: (212) 687-8300. Tx: 666370

Jeffrey Jones - Grindlays Canada Limited Tel: (416) 865-0299. Tx: 006-217-530



Branches or offices in: Australia · Austria · Bahrain · Bangladesh · Canada · Colombia · Cyprus · England · France · Germany · Ghana · Greece Hong Kong · India · Indonesia · Iran · Japan · Jersey · Jordan · Kenya · Republic of Korea · Malaysia · Mexico · Monaco · Oman · Pakistan · Qatar Rhodesia · Scotland · Singapore · Spain · Sri Lanka · Switzerland · Uganda · United Arab Emirates · United States of America · Zaire · Zamhia

# Motor industry expands quickly to meet demand

unlucky enough to be caught in the capital's rush bour traffic. Bumper to bumper, cars go up and down the six-laned Paseo de la Reforma at a snail's pace

of the Mexican economy are showing such dynamic growth as the motor industry.

This expansion is the result

of the country's general economic recovery from the devaluation of the peso in 1976, which hit the molor industry very hard, and the tremendously young market in Mexico. The next four years and total

Only one in every 18 Mexica os has a car, and with a predominantly young population (totalling 68m of which almost hali is under the age of 16), which is increasing by 3 per cent a year, there is vast potential for the industry occupies second

nine munths, total motor 1978 figure of 17hn pesos industry production increased (8752m). over the same 1978 period hy 17 per cent 10 a total of 327.373 17 per cent 10 a total of 327.373 manufacturers are in Mexico. units. The most spectacular Chrysler, Ford, Nissan, Renault, growth was in the production of cars, which registered a 62 are here—sll 100 per cent per cent increase, followed by foreign owned as they started lorries with 36 per cent, tractor before the joint venture law year it began to face some

lighting the great demand.

The motor industry bas now fully recovered from the slump in sales that followed the devaluation. Last year, for the and often it is quicker to walk. first time since 1975, car sales Apart from the oil and petro-exceeded the pre-devaluation chemical sectors few other parts record of 231,108 units. In 1976. car sales dropped to 139,137 units; in 1977 they picked up to 194,471 nnits and in 1978 rose to 226,587.

#### Second place

New investment in Mexican motor industry is forecast at 27hn pesos (\$1.1hn) over export earnings at over 77bn pesos (\$3.2hn). The total accumulated investment in the industry at the end of 1978 was 15bn pesos (\$663m) with a workforce of 46,000. After oil, nmestic sales.

Last year, based on the first which last year exceeded the

Most of the world's major Volkswagen and General Motors

an investment of \$400m by General Molors, \$132m by Volkswagen, whose Beetle, still made In Mexico, is as popular as the Mini in Britain, and \$44m by

General Motors is to build a new plant near Saltillo in north Mexico which will eventually produce all of the company's cars in Mexico. The existing plant in Mexico City will cease to produce cars but will continne to make lorries. General Motors. is also building an engine plant near Saltillo.

Ford is building a new plant increase car and lorry produc-tion by 29 per cent. Ford bas also entered into a joint venture -in a minority position for the first time in its history-with Grupo Industrial, Alfa, Mexico's leading holding company, to build a plant for aluminium motor heads. In another joint venture Ford, again in a minority position, wilt construct windscreens with Grupo FIC.

The motor industry is moving into such a high gear that last

MEXICO'S MOTOR industry is trailers only 0.9 per cent and came into force—but not Fiat serious shortages in steel pro-time. Companies can meet the ducts and spare parts. The lack ducts and spare parts. The lack of steel and parts, coupled with by obtaining more components expansion.

> The steel problem is affecting many sectors of the Mexican Recognising this, economy. to raise State steel production by 1990 from the present 4.8m tonnes to 18.5m tonnes.

Another problem, which

looked like being a major head-ache for the motor industry, is that according to a Government at its complex at Cuautitian, to balance its export import demand for lorries is al least near Mexico City, so that it can accounts. The decree aims to 7 per cent above present promake the industry more integrated: oars are assembled in is also to make sure that the a net foreign exchange earner.

The decree, coming so soon freight after the devaluation of the lorries. peso, caused gloom among the industry for it effectively forced it into expanding at a difficult tractors made in Mexico. Ford, tractors to carry out its

their late and costly delivery in Mexico or by exporting more when available, is bolding back vehicles. Obtaining more parts in Mexico in turn means seeking joint ventures Mexican producers.

Spare parts are a problem. Sidermex, the Government's but not the export of the holding company for the three finished vehicle. Volkswagen. State steel mills, is planning for example, which is the market leader in Mexico, is surging ahead and in the first nine months of last year increased its exports over the same 1978 period by 32 per cent to 16,973 nnits.

While the car demand is just decree issued in 1977, the about satisfied, with firms industry has until 1982 in which working at full capacity, the duction: After the devaluation of the peso, firms were nushed Mexico, but many companies into recession and so did not have to import a lot of com-renew their transport fleets. have to import a lot of com-ponents. The decree's purpose The problem now is that the country'a economic expansion motor industry does not become . is placing such a strain on the a drain on Mexico's deteriorat- inadequate transport system. ing balance of payments creating "bottlenecks," particu-situation, and that it becomes larly in the railway system that firms are having to transfer freight out of trains and into



The Volkswagen Beetle, still made in Mexico, is one of the country's most popular cars .

Deere and Massey-Ferguson. bongst out last year by Grupo Alfa, are in Mexico, but produc-

tion is not great. For example, the Agriculture Apart from lorries, there is a Ministry announced last year growing problem in the lack of that it needed to import 5,000

increasing population, and the very few of which are made in for tractors will Mexico. demand

oecome very great.

Later this year the Govern-

International Harvester, John mechanisation programme in ment intends to announce a the depressed countryside, decree which would offer incen-Mexico has a severe agricultives to increase tracfor productural problem, because of fall- tion, particularly the making ing production and a greatly of tractors of 130 horsepower,

W.D.C.

#### Cera—An International Force for the 80's

Cera International serves the industrialised world with British designed

- \* centralised coolant filtration
- \* swarf handling
- \* air pollution control
- \* systems design to capitalise on their efficiency

From its headquarters in Mitcham, England, Cera bas established a network of subsidiary companies in France, Italy, Germany, Mexico and Canada, the last three having been created during 1979.

Each of these subsidiaries is so vigorously expanding that the parent company over the last five years has consistently exported over 90% of its production.

#### £1.5 million General Motors contract for Cera in Mexico

In the last month of the 70's Cera International announced that, it bas secured the last month of the his cera international announced that, it has secured the order worth £1.5 million for 15 centralised coolant filtration systems required for General Motors in Mexico. This is the second major order awarded to Cera in Mexico following a contract to supply Tremec, an associate of Clark Equipment, for Ceramatic filtration equipment for its aluminium gear case macbining line.

Cera's advanced technology, baving proved itself in Europe, bas now been accepted at the highest level of industry throughout the World. This advanced technology and industrial leadersbip are the consequence of Cera's considerable investment, a far-sighted Research and Development programme which is already creating new and advanced industrial cleaning and filtration technologies for the 80's and beyond.

The 1980's look good for Cera

#### NTERNATIONAL

Cera International Ltd. Cera House Mitcham Industrial Estate Streatham Road Mitcham Surrey England

Cera International S.A. de C.V. 36 Rio Mixcoac Mexico City 12 D.F.

# Bankers nervous despite good profits

rise in profits (by about 30 per cent) and a rapidly expanding conomy - now back on its feet after the peso devaluation of 1976 and with a borizon believes that at least half this brightened by rising oil money has now returned.

off their optimism. One is the attract more pesos, fresh signs of "dollarisation" the placing of deposits in dollars and other foreign currencies intead of pesos. Others are Inand an increase in the peso reserve requirement.

In the first nine months of ast year peso deposits rose by 84bn pesos, or 18 per cent Dollar deposits, bowever, in-creased by 29 per cent, or \$1.3bn. According to the Association. tolal eposits at end-September were wblcb 83 per cent was in pesos and 17 per cent in dollars. At the beginning of the year dol-

The fresb growth in dollar deposits and their percentage of the total, while not yet cause for any alarm, could paint to trouble for the eso. For more than two and a half years the exchange rate has remained virtually stable within the range 22.65/22.85 pesos to the dollar-before the devalu- year at 19 per cent and little more pesos from the system- helieve that the measure is anti-

creeping into Mexico's private dollar—but rising inflation is this year, deposits over a year banking sector despite the fact bringing it under pressure once (two-year deposits are currently that last year saw a healthy again. However, as a matter of growth in deposits, another good perspective, it must be remembered that after the devaluation shorter term interest rates; some 54bn "left" the country (Mexico has no exchange controls). The central bank

evenue. After the devaluation one of Confidence is still fairly high the first measure: the new among bankers, but various fac- Government took was to restructors connected with what many ture interest rates in order to regard is an overheated economy narrow the difference between are beginning to take the edge peso and dollar rates and

The need further to stimu-late peso deposits and close the gap became evident in the first half of the year and the Bank flation, higher public spending of Mexico found it necessary to change its decade:-long policy of fixed interest rates for shortterm peso deposits. Dollar rates remain unchanged.

#### Constant

Bauco de Mexico bas fixed the 637.4bn pesos (\$12.55bn), of rates weekly for periods of 30 to 89 days, 90 to 179 days, and 180 to 359 days. Depo:lts which can be drawn on a special day lars represented 14S per cent every week or every month are now set on a monthly basis. Every Monday the Bankers' Association inserts an advertisement in the national Press for these respective rates. Longer term rates are also published in the same advertisement, hot apart from a 1 per cent increase they have remained constant.

With inflation officially last

paying I7 per cent a year) are still negative. As regards the there has been a notable increase and they are less negative. For example, when the new policy was introduced the rate for 30 to 89 days was just over 12 per cent; in Decemberit was over 16 per cent.

it is now taking into account "the objectives of the financial authorities" in establishing the the change in peso interest rates has pushed up the cost

of borrowing internally. ber of private companies which are borrowing abroad either because ... they cannot obtain enough finance in pesos-or if they can, consider it too expen-

The central bank, in trying to control inflation by curtalling the ranid increase in the money around 36 aninum-, aninum per cent on an annual basis diving the first months of last compared to about 32 per rent of the end of last year-

ing an increased presence abroad. Banamex and Comerex The central bank says that

weekly rates. These objectives have not been clearly spelt out. but they are connected with efforts to make more credit available for ousinesses to expand; to minimise any "doilarisation" process and to diminish the negative aspect of Interest rates so as to encourage savings. At the same time

But in a country where there

are no exchange controls and where in any case the 2,000 mile borrowing abroad. At the same time Mexico's banks are show-

> opened branches in London last year and Comerex opened one In Los Angeles. As in 1976, some companies are running the risk nf heing too heavily committed in dollar borrowings should the peso be devalued.

#### Not happy

Bankers were obviously not bappy when the Bank of Mexico announced in December that the peso reserve requirement would gradually rise by June from 37.5 As of August 13 last the menon is also explained to some nounced that it would start by the increasing number of the state weekly for t drawn from the system at the end of 1978.

The effect, say bankers, will be that the Government will get back the 15bn pesos and a further 10bn pesos. They argue that the credit restrictions are not anti-inflationary but simply a device to enable the Government to finance its growing budget deficit.

Not until I am: told the comhination number of the vault in the Bank of Mexico where that has resorted in withdrawing money is being kept will I

A CERTAIN nervousness is ation it was 12.5 pesos to the or no improvement expected to the obvious annoyance of inflationary," commented creeping into Mexico's private dollar—but rising inflation is this year, deposits over a year bankers. Mexico's main banks.

> The budget deficit is officially forecast to be 181.8bn pesos frontier with the U.S. makes the (\$8bn) this year. Banking introduction of any exchange sources say that if all the new control virtually impossible, this financing which the Government policy is having little effect. needs is taken into account in-Large companies are simply cluding the money to run Mexico City, then the deficit is more like 225hn pesos (\$9.9hn).

The deficit is increasing by leaps and bounds as the Government pushes ahead with expan-sion of the public sector, particularly the oil, steel and electricity sectors, all capital-inten-

Not surprisingly in a country with the social contrasts of Mexico, the problem is political. On the one band the private sector believes that the way to. fight inflation is to introduce drastic cuts in public spending and let the private sector bave a bigger cut of credit; on the other the Government believes

At last year's annual banking convention in Acapulco there were strong speeches from Sr. David Ibarra, the Finance Minister, and Sr. Gustavo Romero Kolbeck, Governor of the Bank of Mexico, urging banks to think less of profits and more about the country's social problems, particularly in making lnans to the depressed agricultural sector The bankers promised to take action. But their promises need monitoring.

A list of Philips' contributions to international telecommunications over the past four decades would fill many pages, but it is more useful to consider the present rather than the past. A small selection of projects currently being executed around the world provides an indication of Philips' scope and ability in telecommunications:

Among the many PCM and FDM transmission systems currently being installed is the new 1400 km Saudi Arabian backbone cable route, the world's longest 60MHz coaxial system and the first to carry telephone and colour television channels

In seven locations ranging from Asuncion to Nairobi, Philips is installing computerized message and data switching centres for the vital Aeronautical Fixed Telecommunications Network.

#### Message and data switching

One of the world's most advanced message and data switching systems, the Philips AEROPP II, has been ordered by the Mexican Ministry of Communications for installation in the Mexico City Center of the Aeronautical Fixed Telecommunications Network AFTN. AEROPP II will enable the Center to supplement its current functions with CIDIN operation, telex/data interface facilities and a range of other services as and when required.

#### Public Telephony

Philips is right on schedule in the massive Saudi Arabian telephone expansion programme, one of the world's largest and most technologically advanced telecommunications projects.

#### Satellite Communications

In 1980, Philips will complete South America's first rural satellite communicabons network - a critical element in the development of Peru's telecommunications infrastructure.

The world's largest computerized traffic control system, automatically supervising over 1000 intersections, is being installed in Mexico City by Philips Telecommunications.

Philips Telecommunications, P.O.Box 32, 1200 JD Hilversum, the Netherlands,

# Highlight on Philips Telecommunications



**Philips Telecommunications** 





#### BY RAY DAFTER, Energy Editor

# Britain follows the OPEC lead

THE BRITISH Government Britain's pricing policies. The essence the kind of scheme has shown it is not averse to manner in which he challenged advocated by my colleagues Organisation of Petroleum Exporting Countries. The fact that the Government's school colours have changed from red to blue apparently has made little difference.

and

1. 1. 21 必要

The second of th

2000年1月1日

10.15

1. 190

. . . . - - #C

1410 : 5565

Hence we see UK oil about to be sold at the latest world market prices around \$30 a barrel for high grade crudeset by the leading African members of OPEC. The exact UK reference price has still to be announced, although it will be backdated to January 1 in any case. The problem con-fronting North Sea producers has been the assessment of true market prices.

British National Oil Corporation, with the encouragement of the Government, has been pressing for a North Sea reference of around \$29.75 to maintain differentials with Nigeria, now reportedly asking \$30 a barrel. Such a UK price might be considered "moderate," in the current worldwida context; it would certainly not prompt a further leapfrogging of prices. As such it would be welcomed by those companies which are mainly interested in buying and refining UK crude oil—a number of them North Sea oil producers in their own

On the other band, North Sea oil companies with limited or oo refinery interests, may well be looking to push UK prices to their highest sustainable point. In this context they are arguing that British oil should be priced above \$30 a barrel in view of the higher levels reported for Algerian oil (\$33 for very light crude) and for Libyan oil (\$84.72 for Zueitina 41 degrees AP1

Mr. David Howell, the Energy

basing its fundamental North the French and German calls Samnel Brittan and Barry Sea oil policies on those of the for lower prices was Riley. (They want oil revenues reminiscent of the way that the to be distributed in the form of former Energy Secretary, Mr. North Sea Stock which would Anthony Wedgwood Benn, used be transferable and realisable to do battla in Brussels. Mr. in the stock market.) BNOC Howell has argued that if the bonds or North Sea Stock would UK provided cheap oil to its be ways of allowing the public European partners — as some at large a chance to decide on would wish-it would merely how to spend at least part of be providing the means for the oil wealth. traders and oil companies to make profits at Britain's expense. For some of the cheap oil would almost certainly leak

on to the higher priced world

'Privatisation'

market.

Like OPEC members (and Mr. Benn) Mr. Howell also recognises the importance of put his bonds idea aside and, having some form of state oil instead, invite the public to buy being considered in Westminster should result in important changes for British National Oil Corporation. A statement about the Corporation's new structure is expected to be made within the next few weeks.

At the moment it seems that the oil exploration and producturned into a British Petroleumtype enterprise with both government and private funding. How this so-called "privatisation" will work is still

Mr. Howell and his advisers bave looked closely at the idea appropriate, perbapa free bonds of issning, without charge, for everyone. interest-carrying bonds to all electors. This may smack of electioneering, but those who have studied the scheme say that the Registers of Electors would provide the most convenient, comprehensive and upto-date lists of would-be bene-

The Energy Secretary Is Secretary, has refuted the known to be taken with the criticisms voiced by some Com- idea of handing the public a interest in both financial and national oil companies, which mon Market countries about stake in the North Sea—in strategic terms."

However, such a give-away would not solve one of the Government's most pressing problems, the need to reduce the public sector borrowing requirement, although It is true that dividends or interest payments arising from the dispersal of BNOC or North Sea stock would probably be taxable. So Mr. Howell will have to

corporation, although ideas now shares in the corporation. As a tion may represent only a minority stake in the corporation—say around 25 per cent. Based on current estimates of BNOC's current worth (over £2bn) the sale might thus raise between £500m and £650m. As seems to be the Government's intention to distribute a large proportion of these shares among small investors the sale might have to be split into two in order to ease the process. This would still leave the Government free to issue fur-ther shares later or, if the economic climate becomes more

> Even so, the Government can expect a hostile reaction to its plans, both from the Opposition and from the trade union movement. The Trade Union Congress's Economic Committee one which be considers to be said on Wednesday that if unsavoury and possibly danger-BNOC was to slip out of public ous-is that in the coming years control the Government would oil will be traded more and be committing an act of more on a government-to-gov-betrayal of our national ernment basis. The multi-

UK Government Oil Revenues from the North Sea 1980 1981 1982 1983 1984 1985 weus UK Offshore Rig Activity WILDCATS APPRAISAL WELLS

selling well over balf of So British Ou Traums, selling well over balf of whatever it is called, will act whatever it is called, will act as the Government agency: sell-selling wears it will conforce in world oil trading, hand-ling between eight and 10 per cent of all the light, high quality

1976

1975

oil sold internationally. This business will remain wbollystate-owned, probably much closer to the Department of Energy than at present. For another lesson Mr. Howell has learned from OPEC-albeit

Although

G. Douglas Vaughan.

crusades

From Mr. J. Souness.

Lionel Denny House, 23, Goswell Road, ECI.

**Index-linking** 

Sir, - The issue of January 8

contained much of interest sandwiched, bowever, between the front and the back page

each containing an item on the

same unpalatable theme, viz, index linking.

We are told on the front page

that "it is considered impos-

sible to end inflation-proofing in

the public service," and on the back page we find further space allocated to David Wilkie's

ing of Govarnment debt. It

would be grim irony indeed if

two successive Conservative Prime Ministers were to go down in history as baying each

made the same mistake of making it easier for certain power centres to live with infla-

Perhaps someone could tell

me how to mount a crusade in support of the theme that infla-

tion will only be cured finally when enough people actually

10, George Street, Edinburgh.

inefficient businesses are cap-

able of greater improvement

be does not, and, I would sug-

gest, cannot logically justify.

because of costs could not com-

suffer from it.

J. M. Somess.

facts of life?

Facts of

From Mr. S. Penwill

these

The public will not be able market in the past, are finding to take a stake in BNOC's trad- it increasingly difficult to gain

> market—keeping Common Mar-ket—particularly British—refineries supplied with oil whenever possible; doing deals with state corporations; and perbaps directing supplies to certain overseas customers for commercial, political or diplomatic reasons. When Britain fieds itself unable to sustain its position of being net energy self-sufficient, BOT will be on hand to act more as a huyer in state-to-state

When Britain will need to be a net oil importer again is unclear. It could be in the late 1980s (becoming increasingly supply industry for a continuing small.

rent thinking within the Energy into account. (considered possible by some oil industry enalysts).

Much will depend on the Govlated and should be announced rapidly as possible through the by early summer. Again the UK 1970s although with some safeis expected to follow the OPEC trend; one of busbanded resources, Mr. Howell is lookproduction profile (in other ing the trough with new oil -

applied is also far from clear. They could mark a significant departure from the pragmatic depletion policies introduced in December 1974 and still in existence. They can be summarised as follows:

 No delays to be imposed on the development of finds made up to the end of 1975:

 No cuts to be imposed on the production from such discoveries until 1982 or four years from the start of production, whichever is the later No cuts to be imposed on the

production from post-1975 finds Available powers under the first four rounds of offshore licences until 150 per cent of the investment in the field has been recovered: • Any later use of powers to bave full regard to the tech-

nical and commercial aspects of the fields in question. This • Continue to move cautiously would generally limit any cuts with his exploration programme. to 20 per cent of output, at There has already been industo 20 per cent of output, at most:

UK: National Union of

General and Municipal Wor-

Union water workers'

Teachers' two-day national education conference opens.

delegate conference on pay offer.

Anti-Nuclear Campaign pickets Central Electricity Generating

Foster Lane, EC2 (tickets from

St. Paul's information centre.

GENERAL

Guidelines after

Varley, is plain. They were Shell/Esso's Brent Field. guards to prevent "overheating" in the later years.

Up to now the various a development programme. ing for controls that will keep Energy Secretaries have had no Delay development consent the UK energy self-sufficient at cause to apply the controls, and reduce production levels in be achieved partly by flattening as much oil as it consumes the bump in the North Sea oil although self-sufficiency was temporarily words, restricting the amount of month last summer, thanks net exports during the period more to low demand than of peak ontput) but also by fill-high production. The state high production. The state sustained self-sufficiency perhaps from small, remote or should be reached some time difficult-to-produce fields — at this summer. As it happens this a time when the offshore industry might be struggling to keep target of self-sufficiency by

up with UK demand. 1980: a commendable achieve-How these controls will be ment considering the delays to so many energy projects around the world-on achievement bowever, which needs to be put self-sufficiency in oil as requir-ing production of about 140m tonnes annually. It now turns out that due to lower economic activity and energy conservation, Britain's oil needs may not reach even 100m tonnes this year. The reduced rate for the growth of oil consumption has been matched by delays in the development of offsbore fields.

Mr. Howell already has a number of powers which be can exercise in the cause of conservation. To slow down output in the middle to late 1980s, he

● The needs of the offshore round of proposed licences is too

unlikely), the 1990s (the cur- and stable market to be taken . Crack down even harder on companies flaring and wasting Department) or even around The reasoning behind these gas which is produced in the turn of the millennium policies, duhbed the Varley association with oil. This would the then have the effect of reducing oil Energy Secretary, Mr. Eric output-a step already taken in

ernment's depletion policies designed to ensure that North • Reassess field development which are now being formu- Sea production built up as plans as they progress. Under the system of "staged consents"
Mr. Howell can ask companies

file at various specified points in cause to apply the controls, and reduce production levels io least Into the 1990s. This will Britain is still not producing line with the Varley Guidelines. as set out in the Petroleum and Submarine Pipelines Act of

to alter a field's production pro-

1975. The extent to which the Energy Secretary exercises these, and possible new controls, will depend on economic and depletion would bring substantial benefits more quickly to the country's balance of payments. But it might also make sterling even stronger and thus make life even tougher for Britain's exporters. Slower depletion would prolong the economic benefits into the 1990s when oil could well be even more exever, no one can say with ccrtainty how oil prices will move or how much evergy will oc required by the UK and the world at large in 10 or 20 years'

time. In view of the depletion controls which already exist, it may be more important for the Government to devise ways of encouraging companies to exploit bard-to-get oil reserves and smaller fields in the 1990s. The positive aspect of depletion needs to be tackled.

Whatever the answers, the present Government seems as letermined as the last to set the pace of its own oil development programme and to fix prices at the worldwide ruling levels. In these, and in other respects, the UK has learned a great deal from OPEC.

#### Letters to the Editor

#### Fair trade in textiles.

From the President, Knitting Industries Federation Sir,-Fair trade could be defined as goods produced with rough equality in wages and social charges and no overt or

charges and exchange rates would also need to be taken into consideration. It would follow, therefore, that restrictions against countries whose goods were lower in cost than the definition would not be protectionist and would labour intensive industries such acceptable state of affairs. be justifiable. Restrictions on same or higher in cost than the definition would be protec-tionist and unjustified. The onus of proof to be placed on the exporting country. On this basis I am absolutely against

protectionism and in favour of Our industry is based on piece rates with excellent productivity—there is no proof to my knowledge that any other country is superior to us in this respect. Even if we were superior to every other country we would still be unable to compete on price with countries paying 10 per cent of our wages with no guaranteed weeks, boli-day pay or social charges of any Whatever is said about style, quality and fashion, price is still the most important part

of the equation. When the multi fibre arrangement is renegotiated we cannot accept that countries who do not qualify under the definition of fair trade should get an increase in quotas when a recession is taking place in the importing country—this will be the position of this country in 1980 — where the exporting countries will be getting an average increase of 6 per cent.
On a lower market, it will be than 6 per cent to the exporting

the end result is to put them out of work. When one is un-employed cheap imports come expensive. If we finish by importing their poverty as well as their products, the future for this country is indeed bleak. I trust the retailers will pay due attention to the above remarks for if imports continue to grow and unemployment with them they are destroying the buying power of their own customers. As for long production runs to lower costs; we entirely agree. Unfortunately many customers are cutting the length of run and are demanding more variety which is consequently pushing prices higher.

The EEC Commissioners take the view that the drift to textiles in the emerging countries is a fact and is unlikely to be reversed. This will continue to be a fact while the EEC coun- From Mr. B. Roberts

per cent of the working popula more easily take an interest in of 1970 to 1984 is likely to be tion of this country get jobs Australian shares? I gather about 111 per cent compared with unemployment rising that the following experience is with 61 per cent under the throughout Europe? Of course not untypical.

nnt of jobs. Government's finally, to the emerging counsubsequent one-for-five rights not likely that democracles, tries. It sometimes appears that issue and the dividend (paid on experiencing virtually stagnant the EEC's responsibilities are in reverse order. The emerging brokers promptly claimed for flinch from continuing a mone-countries do not enter textiles me. I received the dividend on tary squeeze of this intensity,

in mind when it examines the unemployment figures in the executors.

these simulations suggest. But coming months. It la only This is surely a quite unthis is only a possibility and coming months. It la only as textiles that can possibly Brian R. Roberts.

equired. Waldron,
Many industries are now Heathfield, Sussex. being threatened by cheap imports-there is no doubt that whatever industry the emerging countries choose to enter they will destroy it as long as capital and expertise are supplied due.

to their labour costs. I believe in due course restric-tions will need to be applied, to most industries within the kept within bounds.

however, is not the case with textiles. Further, we do not constantly approach them with our begging bowis at the ready pleading for public funds. Is tt too much to ask for strong, determined support to ensure a viable long-term market for our products, a long-term future for our industry, our companies and our employees' jobs?

Elite Hosiery Company. Hawley Road. Hinckley, Leicester.

#### **Engineering our** future

past efforts to promote sound design, but one looked in vain for a recommendation to strengthen the design/production interface which is one of the industrial countries of the the real weaknesses of UK de-

sign engineering.
There might also bave been a recommendation to give additional financial resources to the excellent design advisory service of the Design Council which is of such great belp at so little cost to the smaller engineering firms in the UK. C: Robbie Robinson. 54, Chandos Are.,

tries continue to give way—it Sir.—Can something be done tries continue to give way—it Sir.—Can something be done will stop if limits are placed on about the apparently inexcus rates of imfation will differ the total percentage of imports able inefficiency of the allowed into the EEC and which Australian market, especially are involable.

The working approximately 12 ended and the investor can economic growth from the end of 1970 to 1984 is likely to be

throughout Europe? Of course not untypical alternative poncy. Over the find numself without employed either satisfaction or diswe must help the emerging countries—but not at the cost bought for ma 500 Pekocountries—but not at the cost bought for ma 500 Pekoof putting our own companies of putting our own companies of putting our own employees them in the usual way on the tive inflation at the expense of payers have bad to meet the Shoreham-by-Sea, West Sussex.

following Account Day. It 5 percentage points less GDP.
first took them until November to While such figures must be

October 26), both of which my output year after year, will only because it is considered January 5 but my brokers have when faced with prospective number of jobs for the lowest knows when I shall get the cer- deepened by tight money and capital outlay—a point this tificate for them: as I am well high oil prices, will affect Government should keep firmly into my 70s, that may well be expectations and lead to an a problem to be left to my earlier fall in inflation than executors.

these simulations suggest. But

Old Foxhunt Manor,

#### Monetary policy

From the Snb Dean, City University Business School to most industries within the EEC if unemployment is to be kept within bounds.

Sir,—A growing number of countries, including Britain, appear to be committed to the l agree with the Government's use of monetary policy as the view that inefficient industries principal weapon in the fight do not deserve support—this, against inflation. Samuel Brithnowers is not the case with tan, (Dec. 13) advocated the gradual reduction of the money supply by one percentage point each year. While not opposed to the basic analysis involved in his suggestion, I feel that the possible outcome of such poli-cies should be carefully examined before their adoption In present circumstances.

Monetary policies bave, in the past, appeared to take two or three years to have an impact on inflation. Thus, attempts to on inflation. Thus, attempts to slow monetary growth now are not likely to begin to take effect until 1981. In contrast, changes in the "real" money supply (changes in money less changes in prices) have a apeedier effect on economic growth. Lower rates of monetary growth when inflation is rising will sharply cut growth of the real money supply, with an impact on outcountries.

It is important to remember that in the 80 recommendations that in the 80 recommendations of the Finniston Report there is producers—cheap imports will one mention of the word not be much help to them if the end result is to put them 1979 rate of around 9 per cent

by one percentage point a year until 1984? A simple monetary model for sort outlined above suggests that their rate of inflation, now around 8 per cent, will continne to rise to nearly 10 per cent in 1981 (because of monetary expansion already under-taken) and then begin to fall slowly, reaching about 5 per cent in 1984. Meanwhile, the rate of growth of GDP will fall to below 2 per cent in 1980 (below I per cent if the impact of the recent oil price rises are allowed for), below 1 per cent in 1981 and 1982 and will probably still be below 2 per cent in 1984, without allowing for oil price rises which may bave taken place. In contrast, if the rate of monetary expansion falls From Mr. B. Roberts to 8 per cent in 1980 and Sir,—Can something be done remains at that level until 1984,

losses of the nationalised steel industry for years that be has responsibility is to British com- obtain delivery, and I have not regarded as indicative only, the had a job at all.

panies and their employees, and yet had the share certificate.

only after that to the EEC and

The shares were cum the a very plausible one. But is it greatly annoyed if it were suggested that he and his comrades gested that he and his comrades bad been living on enforced charity for years. But isn't that what has bappened indirectly? He should be aware that governments are elected to covert subsidies. Interest low technology. They enter it not yet obtained delivery of all elections? To be less gloomy, it govern the country, not to mancharges and exchange rates because it supplies the greatest the rights issue shares. Lord is possible that the recession, age industry. That is the function of managements in conjunction with labour.
What does he suggest that the Government should do? Should

it continue to run the steel industry at a loss in order to the cost in lost ontput will provide the industrial user with already have largely been paid. a cheap source of supply in remarks relate to the industrial countries remain competitive in world markets, when possibly that as a whole, they apply in a very user could become even more competitive by buying imported significance should be seriously considered by the Government.

The need to live within one's earnings is one of the hard facts of life which Mr. Brown does not seem to recognise. It does not appear to occur to him that possibly we have been enjoying a standard of living which has not been earned for many years. S. W. Penwill. 158, Fenchurch Street, EC3.

# Cainfully

employed

From the Treasurer, Adur District Council Sir,—I refer to the letter from the chairman of Blakeney Properties of January 3.

As is usual with this type of allocated to David Wilkie's horror story, the facts are un-crusade in favour of index link-substantiated. In my experience the overmanning described is highly improbable and—even those most sceptical of public service efficiency must surely accept-could not be typical.

In any large industry, examples of inefficiency will emerge from time to time. In the private sector the consumer bas no rights of inquiry whatsoever. It would be folly to further impede efficiency by giving public right of access to the personnel and detailed administration records of the company involved in order to remedy this. So it is with local government and the short reply lo your correspondent is that the right of inspection referred to does not exist.

I submit though that this is neither cause for despair or a letter to the Financial Times Sir,—While what much of for two reasons: substantial what Mr. N. S. Brown writes rights of inspection do exist in (January 4) is obvious, i.e., respect of large areas of local government activity; and local government is, for the present, than efficient ones, be makes a democratic and quite sensitive number of assumptions which to genuine complaint or inquiry especially at member level.

Some complainants nonethe-He suggests that everyone is less claim to be denied satisfacentitled to a pay rise in line tien. I believe that among with inflation whether such rise these there are some who may is earned or not, but does not be afraid that the facts estabsay bow that rise is to be lisbed by the exercise of rights financed other than by more of inspection or other proper inflation. He assumes that no inquiry might spoil the peculiar one's standard of living should pleasure afforded by their fall whatever the circumstances. prejudice. They might be On what premise does Mr. aggrieved were their alleged Brown base his assumption that enormities proved to be be should be exempt from the mythical—far better that their supporting data be just in-If Mr. Brown were working sufficient to even pursue an

for a private organisation which, inquiry. Mr. Murfitt neatly ventilates with 61 per cent under the pete profitably, he would soon his criticism without risking alternative policy. Over the find himself without employ- either satisfaction or dis-

### OFFICIAL STATISTICS

**Today's Events** 

Personal income, expenditure and saving and company profits (third quarter). Housing starts and completions (November).
Building societies' monthly
figures (December).
COMPANY MEETINGS

Board meeting at the Board's offices, Newgate Street, EC4.

Open day at Goldsmith's Hall, Carr's Milling, Crest Motel, ingstown, Carllsle, 11.30. omet, King Charles House, Kingstown, Comet, King Overseas: Future trading rela-tions between Asian and Pacific British Properties, Royal Turks countries will be discussed at a three-day conference, on Bali, castle-upon-Tyne, 11.30.

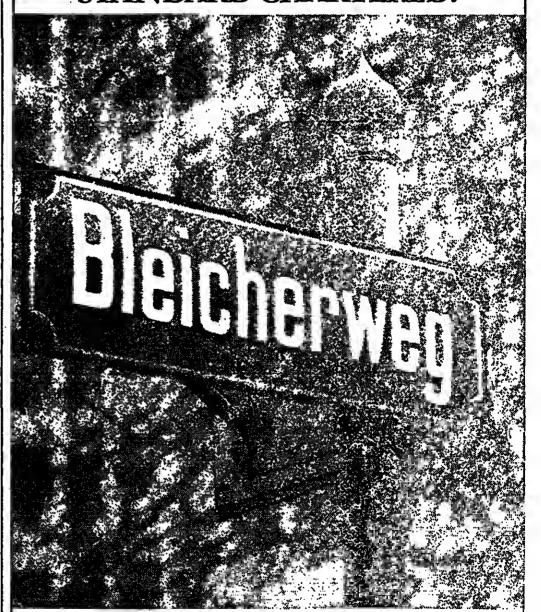
COMPANY RESULTS

Final dividends: The Grange Trust. Robert H. Lowe. Sidlaw Industries. Interim dividends: Associated Newspapers. Daily

Mail and General Trust. Heron Motor Group. LUNCHTIME MUSIC, London Organ recital by Professor Gordon Phillips, All Hallow's-by-the Tower, Byward Street, EC3, 12.15 and 1.15 pm. Song recital by Gayle Henolck

(soprano). St. Martin-Withio-Ludgate, EC4, 1.15 pm. Recorded music of Saint-Saens, Holy Sepulchre, Holborn Viaduct, ECi.

#### WHERE IN THE WORLD WILLYOU FIND STANDARD CHARTERED?



In Zurich at Bleicherweg 62, and at 1500 other Group addresses in 60 countries, a unique network set up to serve all your overseas banking needs.

With a real overseas bank working for you, naturally your transactions are quicker and cheaper. Keith Skinner can tell you more about it on 01-623 7500; why not ring him today?



helps you throughout the world
Head Office: 10 General Lane, London ECAN 7AB Assets £12,000 million

Waddington in

A LOSS of £418,000 for the 28 master missed its first Christmas

wecks ended October 14, 1979, is season but Waddington's elec-

tronic games subsidiary has

almost suspended belief by

missing a second vital seiling

period. The npshot is a £2.9m loss in Videomaster which more

than wipes out the 35 per cent

other divisions. The bope now

must be that the baemorrnage has been completely staunched.

The bulk of Videomaster's deficit

which, if computed correctly, assumes that a very much smaller operation re-starts with

a clean slate. That, in turn, indicates that the group as a whole is operating on an annual pre-tax level of some £3.5m which would provide more than adequate cover for a maintained total gross dividend. Heartened by the interim navment declara-

by the interim payment declara

tion and the upturn in boxed games and playing and greeting cards, the ahares climbed 11p to

138p vesterday for a fully taxed

p/e (ex Videomaster) of 4.6 and

an historic yield of 9.5 per cent. That may provide the basis for

further sbare prire recovery out

this must be tempered by the

is erratic and the problems of procuring specially designed

components over long supply lines in a tough and fast evolving

been made only 100 obvious. The contraction of Videomaster is the

clearly relates to stock write-025

week improvement in the

loss midway

reported by John Waddington.

the games, puzzles and printing

group, compared with a £1.65m

profit in the same period last

The loss bas been brought about by a £2.9m (£184,000) loss

a; Waddingtoo's Videomaster but

the directors believe there will

At the end of 1978-79, the Video-master business lost £1.08m.

no further losses in this area.

The directors are raising the

net interim dividend from 5p to

5.22p—the previous total was

11.68p from pre-tax profits of

from £25m to £30.25m. The directors say that while there

was a general improvement in

most parts of the group, results have been marred by the Video-

master performance and the necessity to make provisions in

the first half to ensure the

group is doing well in spite of difficult conditions and good pro-

gress is being made by the plastic

container business. Christmas sales of boxed

games, playing cards and greet-

ings cards were considerably up

business in the U.S. is doing very

well, the directors add.

last year and the games

The packaging and printing

absence of further losses.

Sales for the 28 weeks rose

# **English China Clays** profits rise to £33m

PROFITS BEFORE tax of English China Clays, believed to be the world's largest producer aod exporter of china clay, rose from £24.48m to £33.12m in the year ended September 30, 1979. External sales increased from £234.24m to £280.79m.

The result follows the directors' expectations at midway of a satisfactory out-turn for the year-first-half profits bad risen from £8.53m to £10.43m.

Stated earnings per share before extraordinary credits are 14.89p against 10.66p and the final dividend is 2.8825p lifting the total from 3.968-ip to 5p. Profit for the year is after £1.05m for terminal losses. exceptional items and provisions in the building division, £1.19m remuneration for an earlier year

payments under the group's profit-sharing scheme. A profit analysis shows clay contribution £23.2m (£14.6m), quarries £7.06m (£6.49m), buildiog £196.000 t£1.13m) and transand services, £2.66m

frustrated by Government pay policies and £t.59m for increased

Tax takes £9.09m (£7.29m) leaving nct profits at £24.03m against £17.19m. An extraordinary credit of £1.57m relates to stock enbancement relief in

1°73 and 1974. See Lex

#### J. E. Sanger owed £400.000

J. E. Sanger, the meat company, says it is owed £400,000 one of its customers, Smithfield trader Gilmøre and Partoers, which is now in the

This figure could be reduced, however, as a result of negotiations with third parties and by and distribution from the liquidator, the company added.
Sanger says its principal bankers had reconfirmed their support and the hoard is satisfied that the liquidity available is sufficient to absorb this loss.

profits, pre-tax earnings of business.
Sothehy Parke Beroet Group, fine Howeve

art auctioneer, increased from

27.92m to £8.23m in the year to August 31, 1979. Net auction sales improved from £161.1m to

At mldway, the surplus was well ahead at £4.32m (£2,44m),

but the directors warned that they expected the rate of increase

in full year earnings to be con-

ciderably lower that in the first

despite the encouraging start,

#### HIGHLIGHTS

English China Clays has announced a profits jump in the wake of strong demand for clay and a series of price increases. Despite the strength of sterling Sotheby's sales and pre-tax profits arc up by over 15 per cent and the current year bas started well. The long struggle at FNFC has entered a alightly better phase and on the bid front Highland Distilleries has unveiled its defence against the Hiram-Walker bid. Elsewhere, Lex looks at the better climate in the stock market which led yesterday to the buying up of the remaining portion of the long tap. On the inside pages there are some poor figures from John Waddington. Comments are also made on Pleasurama, Hickson and Welch and Ratners and there is news of the London listing by U.S. group Black and Decker.

#### Pleasurama tops £3.2m helped by associates

TAXABLE PROFITS of available profit was down at Pleasurama, the entertainment £1.39m (£1.45m). and answement group, advanced from £1.98m to £3.22m in the ear to September 30, 1979. helped by a jump in a share of associate companies' profits from £272,000 to £956,000.

The net total dividend is doubled from 2.4p to 4.825p, with a final of 4p.

At midway, profits were well ahead at 5847,000 (£402,000). The directors said that, because of the group's seasonal activities, first-balf results were not necessarily indicative of the fuli-year outcome.

. Even if trading cootinued at the current good level, sharebolders should not expect to see the same perrentage locrease in full-year profits as was shown in the ha!f-year figures they added.

Full-year turnover improved from £8.58m to £11.72m. Tax took £1.8m. against £1.07m. Stated earnings per 5p sbare rose from 14p to 21.5p.

After minorities of £24,000 at 5 per cent at 143p after (£30,000) and extraordinary yesterday's 6p rise. The p/e oo income last time of £561,000 stated earnings comes to 6.5.

However, they remain opti-mistle about the rest of the year.

Gross revenue for the year

rose from £31.4Sm to £38.34m. Tax took £3.67m, against £3.37m. The net total dividend is

increased from 90 to 11.5p, with a final of 8p. Stated earnings

per share are up from 33.3p to

Mr. Graham D. Llewellyn, a

Mr. Julian Thompson, a shortly afterwards.

Sotheby finishes on £8.23m

DESPITE LOWER second-half need to be wary of its effect on

off. deputy chairman of Sotheby Sales during the first four Parke Bernet and Co., London, aths of the current year and Mr. Joho L. Marioo, chair-

Avanced from £71.57m to man and president of Sotheby Parke Bernet Inc.. New York, lespite the encouraging start, have been appointed deputy

ey are aware of the company's chairmen of the group, ulnerability to inflation and the Mr. Julian Thomps

Pleasurama bas turned in some impressive results. After more than doubled profits at the balf-way stage, the full year increase comes to 62 per cent. A signifi-cant portion of the improve-ment can be attributed to the first 12-month contribution from the group's 25 per cent stake in the Ritz casino. This is fed in as an associate company along with a 25 per cent contribution from the Casaoova casino. On the main side of the business tprovincial casioos and dance halls) there has been a 32 per rent rise in trading profits, indicating solid organic growth.
The dancing division is the
most promising for expansion and Pleasurama bopes to open more discotheques in future. In the current year, the absence of Ladbroke casinos should belo business at the Ritz and Casanova. The final dividend bas been boosted by 142 per

cent and the yield now stands

director of Sothehy Parke Bernet and Co., has been appointed a director of tbe

**RUO ESTATES** 

DELAYS REPORT

As Ruo Estates Holdiogs has to

consolidate overseas accounts, it was not possible to produce the

annual report and accounts for

the year to Juoe 30, 1979, by December 31, 1979. It is antici-

pated that announcement of

#### Ratners 28% ahead and optimistic for full-time

It was bad enough that Video- lynchpin of the mid-term rating

off in retail trading after the June Budget, when VAT rate was (Jewellers) increased by 28 per cent from £534,691 to £684,309 for the half-year to October 6, 1979, on retail sales 17 per cent bigber at £9.1m.

Mr. L. M. Ratner, the chairman, points out that the greater pro-portion of the year's profits will again arise in the second balf and adds that, while it is too early to make a forecast, the directors look forward to the full year outcome with confidence.

Since the end of the first-half period, sales have maintained their gains and Mr. Ratner says the third quarter was consider-ably assisted by a good Christmas

For the year ended April 6, 1979, taxable profits jumped by some £1m 10 £2.56m, on sales of The net interim dividend is

effectively stepped up from 0.5583p to 0.67p per 10p share, costing £198.000 (£133,838 after waivers of £31,987)—last year's Profits, before tax, on the sale preliminary profits will be made of part the end of January and that £232,3 the annual report will be posted year. of property were down from £233,340 to £71,762 for the half-

The company's progress con-

branches opened during and since the period nuder review. The chairman says modernisation to existing branches have been in progress at an unprecedented rate during the whole of 1979 and this will provide in the 1980s a springboard for greater achievement.

In the directors' opinion, stock appreciation relief, which will not be determined until the end of the current year, is likely to reduce tax charge below 52 per cent—based on a 52 per cent rate, tax on half-yearly trading profits would amount to £355,841 (£278,039).

Corporation tax charge on sale of property profits was £21,529 (£70,752).

comment

Interim figures from Ratners have shown a steady decline in margins over the past few years of yesterday's result was the reversal of this trend—though the 1979 margin of 71 per cent still a far cry from the 121 cer cent recorded five years before. This 's particular, encouraging as the rise in the gold price apparently played not bigher return. part in the higher return price increases came gh in September and Host price increases came through in September and October, slightly before the gold explosion and towards the end of the reporting period. There were relatively few new stores opened in the first half (around 80 per cent of the increased turoover came from established outlets) so it is clear that Ratners is schieving a better volume per store. This should be accentuated n the second half, both because of a busy Christmas period end the group's seemingly para-tor'al decision to stage its first forward sale. The great or at decrease to The great conderable is the gold price but the company is well enough ed to cut drive its purchases and moderate shop prices if necessary. Disposal profits will he lower this year as the market

is less favourable to sale and lease-back operations but there

will still be room to increase the dividend by more than yester-

day's 20 per cent. Assuming the same rise in the final, however,

the yield is 5.5 per cent, while the share price of 58p produces a p/e of 6.3 on profits of £31m

ROLLI2 Boardman loternational, manufacturer and importer of clotbing, for the September 30, balf-year to September 30, 1979, were £126.211 against a loss of £77,734.

After tax of £28,149 (credit

In view of this, the Board considers it prudent to conserve

The difficult trading condi-

#### **ISSUE NEWS** Black & Decker shares start trading in London

The first share listing by a foreign company in London since the abolition of UK exchange controls takes place today when shares of Black and Decker Manufacturing, of the U.S., open for trading on the Stock Exchange.

Mr. Francis P. Lucier, chair-man and chief executive of Black and Decker, which is the world's largest manufacturer of power tools, said the decision to seek a London listing bad been fin-ally taken only five weeks ago.

The group is actively consider-ing listing its sbares in Germany and France also—they are already quoted in Switzerland. Black and Decker, widely known for its do-it-yourself drills and other tools, believes that its shares are widely held in Europe. It has three manufacturing plants in the UK, where it employs some 3,600 workers, three plants in Italy, two in France, two lu Germany and one

la 1978-79, the group increased net earnings by 43 per cent to 894m or \$2.25 a sbare on sales of \$1.2bn. About 44 per cent of salea were in Europe.

Results for the first quarter of

the current year, to be announced shortly, will show a continuation of the growth rate of the comparable period, said Mr. Lucler. Christmas trade in France and Germany bas been "extremely good" and "reasonable" in the U.S. and the U.K.

Mr. Lucier said be was bappy with Wall Street forecasts of earnings in the \$2.10 to \$2.40 range for the 1980-financial year. Laurence Prust is acting as broker to the listing in London, and both Akroyd and Smithers and Medwin and Lowy will be jobbing in the shares, which were quoted in New York this week at \$221 or 1,003p.

#### **EXCHEQUER** STOCK

The Bank The Bank of England announces that all tenders from the public for the 14 per cent Exchequer stock 1984 have been allotted in full at the minimum price, £96.50 per cent.

SPAIN	
	Price
January 10 Sanco Bilbao	% +er-
Sanco Bilbao	<b>205</b> – 1
Sacco Central	220 –2
Banco Exterior	
Banco Hispano	
Banco Ind. Cat.	: <u>136</u>
Banco Madrid	175
Sanco Santander	
Banco Urquijo	182
Bance Vizcays	211 -2 205
Banco Zaragoza	100
Oragados	58
Espanola Zinc	56 +1.5
Gai. Preciados	33 +2.5
Hidroia	- 61:5 +1.8
The disease	877 +17
Petrojens	11S +3
Patroleos Petroliber Sogefise	73
Social	116 :
Telelonics	54
	E77 117

# FNFC recovers strongly to end with record £22m

A SHARP second half improvement at First National Finance Corporation pushed pre-tax profirs from Si7.86m to F21.63m for the year to Gelober 31, 1979, after 23.67m against £2.07m at the interim stage.

Profits are now above the previous record of £18.4m in 1973, after which the group plunged into heavy losses for four years, with a low of £83 2m

The 1979 foll-year profit was after charging interest on income deferred and subordinated loans to talling £18.99m. Tax takes £1.25m (£0.15m), leaving a net surplus of £20.38m (£17.72mt. Earnings per 19p share were 16.5p (14.4p). The pre-tax profits include

co 27m (£0.51m) from the con-

sumer credit division. The after-

to the outcome for the current

"The rise in residential bouse and flat prices now appears to nave levelled out and the present high interest rates are proving to be a considerable burden, particularly because of the shortfall between the group's earnings assets and

DIVIDENDS ANNOUNCED payment payment div. year of spanding for Current Corre Total O Boardman ...int 0.1 Centreway Trust ... int. English China Clays ... Hickson and Welch ..... Piersnrama ... 0,56\* Ratners (Jewellers) int. 0.67 Mar. 7 11.3 Feb. 14 Sotheby Parke ..... 0.21\* Symonds Eng'g. . . . int. 0.22 Feb. 27 addington .....int. 5.22 Dividends shown pence per share net except where otherwise stated \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 9 months.

The directors report that un- have reverted to the group, paid interest un the sub- Those activities and the interest un the subordinated loans now amounts to £6.28m. They consider it prudent in the lending and sumer credit division. The aftertax profit has reduced the net
deficiency for shareholders from
The directors report that it
is not possible at this stage to
make any reliable forecast as
the tree wiferent for the current
that it is not possible at this stage to
make any reliable forecast as
the tree wiferent for the current
that it is not possible at the stage to
make any reliable forecast as
the tree wiferent for the current
that it is not possible at the stage to
make any reliable forecast as
the product in the lending and
the property division, because of
the present high interest rates.
to take into account an additional future cost of £1.2m in
arriving at the net release in
the property division, because of
the present high interest rates.
The directors report that it
is not possible at this stage to
make any reliable forecast as

suspended interest of The group has continued its building out operations, some of which are now conducted through wholly-owned subsidiaries. It is also dealing with some blocks of flats which were previously under contracts for sale to third parties. Contracts have been terminated and the properties

These activities and the conse-quent reappraisal of the tons relating to them have produced a contribution of £10.7m to the profit for the year.

Taking into account deferred and sub-ordinated loans the solvency margin now, amounts to £33.5m. Cash generated enabled the group to reduce its liabilities by £19.9m.

"As the property portfolio is realised the opportunities for achieving a high level of profit-ability diminish but the company continues to endeavour to maximise profits and cash from the remaining properties," directors state.

# Sharply higher interest holds Hickson and Welch at £8.1m

MARGINALLY LOWER pre-tax and absorbs £1.45m (£747,000). profits of £8.06m for the year to Sentember 30, 1979, compared with £8,12m last time, are eported by Hickson and Welch (Holdings). The surplus was struck after sharply higher interest of £1.02m, against £0.4m. Turnover of the chemicals and timber products group improved from £71.45m to £85.53m.

These are dull days at Hickson At midway, profits edged abead to £3.81m (£3.74m), and the directors expected full-year results to show an improvement over last time, provided sales

levels were maintained. earnings per 50p sbare were 1p higher at 39p. The net total

The retained balance emerged lower at £5,57m £6,19m), after exchange losses on overseas sub-sidiaries' net assets of £600,000 (£356,000).

the year of £437,000 (£821,000), net profit came through ahead from £7.3m to £7.63m. Stated dividend is stepped up from 3.8624p to 7.5p, with a 5p final,

and Welch though the market may disagree. After yesterday's 4p rise to 180p, the historic p/e comes out at 4.49 on stated earu-

ings. Last year, H & W held the tax charge down around 5 per cent, thanks to now markedly After a reduced tax charge for diminished capital expenditure ne year of £437,000 (£821,000), and stock relief. This year, the et profit came through ahead tax bite will be bigger. Outside expectations are for profits around the same level, which on around the same level, which on a fully taxed basis would knock the projected p/e to almost nine. With the historic yield at a interest is far from absent.

comment

a size where it can no longer buck sector trends. Prices of its principal feedstocks doubled during last year, fuel costs, have risen, the strong pound has hit hard a company which makes more than balf its sales overseas. Little easing can be expected in these areas this year, and analysts see an industry recession not bottoming out until the third quarter. Borrowings have risen to around the £10m mark, but nonetheless the company is in basically good shape. Gearing is comfortably below 30 per cent and aggressive capital expendi-

subsidiary of the company, NTI

Securities may accept 20 per cent

currently £1,432,099 nominal-amounting to £286,420 nominal.

sidiary has accepted 85 per cent

of stock tendered to it, £287,856 nominal which at a price of 138,38p per unit will cost

All applications will

accepted on a pro-rata basis.

Accordingly, the dealing sub-

modest 6 per cept, H & W has the look of a growth stock which

has lost its growth. It is now of

# Boardman shows improvement

per 50 share are

THROGMORTON

The directors of the New Throgmorton Trust announce that tenders in total amounted to £338,654 nominal.

Under the terms of the Trust

**Apartments** 

For details of availability and charges consact:

the Supplemental constituting the

London W.I.

**Luxury Furnished** 

Greengarden House, St. Christopher's Place in quiet picturesque, pedestrianised area near Oxford Street.

Greengarden House, St. Christopher's Place, London W.M. 5HD

Fully-equipped apartments with maid service.

Greengarden Investments Limited

0.42p (loss 0.26p).

NEW

The turnround is attributed to closure of subsidiary Wm. Stembridge which incurred losses of £265,919 in the corresponding period last year. Stock losses were nil against £146,581. There was a surplus of £49,250 arising on the sale of Boardman House,

£26.858) attributable profit is £98.062 (loss £47.701). Mr. G. S. Ruia, the chairman, says in his interim report that

group profit bas been materially affected by the continuing high interest charges and the general trade rece sion.

liquid resources and are restricting the interim dividend to a cominal 0.1p (0.4025p)—last year's total was 0.5p from pre-tax profits of £54,000. tions and even higher interest

rates are continuing, and the Board is reluctant to anticipete any substantial improvement in profits for the second half. faxed at 20 per cent and boosted Turoover increased from by £100,000 of exceptional profits. £11.2m to £11.7m. Stated earn

# M. J. H. Nightingale & Co. Limited 27/28 Lovat Lane London EC3R 8EB Telephone: 01-638 8851

# Price Change Div (p)

The Royal Bank of Scotland Limited

U.S.\$75,000,000 Floating Rate Capital Notes due 1986 to 1994

For the three month period January 11th 1980 to April 11th 1980 The Notes will bear an interest rate of 14%% per annum. Interest payable on April 11th 1980.

Bankers Trust Company London,

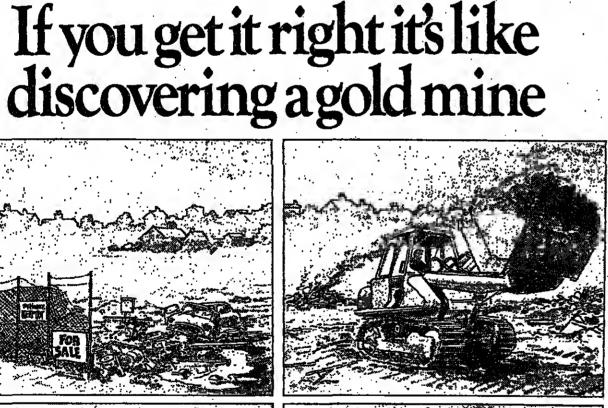
# then either lease or sell it for a large profit.

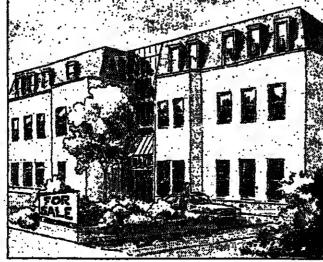
It's a very simple story. Buy some land, develop it and

It's also easier said than done, as can be seen by the number of commercial property developers who have fallen into pits of their own digging. It takes a good deal of experience, skill and financial acumen, strengths the . Crouch Group has worked hard to build up.

For over 50 years, we've been known as a residential developer and builder. We've built thousands of homes in the south and west of England, over 8,000 of them in Crawley alone.

18 months ago, however, we decided to extend the Group's business into the commercial and industrial field as well and that is where the emphasis of the Group





is rapidly moving, because this represents major growth areas, both here and abroad.

Since taking that decision, we've bought and refurbished office blocks in London and New York and undertaken factory and office developments in this country. They re building into a sound portfolio of property investments that are rising in value and establishing good rent rolls.

If you would like to know more about why we view our future with such confidence, write for a copy of our corporate brochure and latest Report and Accounts to The Secretary, Crouch Group Limited, Sutherland House, Surbiton Crescent, Kingston-upon-Thames, Surrey KT1 2JU. Tel: 01-546 2131.

Crouch Group Limited



ngly 22<sub>m</sub>

iary 11 1880 :

Div Dest 15 Portion 15

6 0.21 hs where other by s erted to the page of the control of

into account to the upportune a high lets with the house of the endeavours. Only and cash to the properties DToperties. 1 3.214

rolds A Der vert Hek of a counth sea: it office the bra where it can be to refer the Progredicts

COMPANY OF STREET 3 2 N: emen

A 1904 SE A 1904 SE

) - 2 7.30s (ex

A 2.

1.3:03 S (1.4 1.000 DE 1. Novel 19 d 2

CO

1.00 insted

ASSETS

3. Limited

land Limited

10 to 1004

. WELT

PORK

All weights

Oven-ready

\$20 kg rindle

POULTRY

Conpanies and Markets

**NEW LIFE BUSINESS** 

# Upsurge in Home Service sector

branches of these companies,

where premiums are paid

weekly or four weekly, and

the business is based on the premium. In the ordinary

branch, business is sold on the

sum assured and there has

not been the same level of

increase. The new business

figures of the other life com-

panies dealing through in-surance brokers, does not seem to have benefited by the

Secondly fer both branches, although the field staff of the home service companies call

hnids, they still tend to con-centrate on wage-earners, and

change in tax relief.

A record

The Home Service life insurance companies, where business is sold by in-house field staff calling at the homes of policyholders, experienced an exceptional year for new life business in 1979.

There were two main factors, common to all these companies, that helped bring about this buoyant market. The first boost came from the Government, which in April changed the method of giving tax relief in life assurance premiums. Now the policyholder pays the premiums net of tax relief and the life company gets the tax credit from the Revenne. So agents are now selling for a net unit of premium whereas before it was a gross unit. Effectively, this means an automatic rise of 21 per cent.

This has had much more effect in the Industrial

these have more disposable income. The number of policies in the Industrial branch being taken out has not risen, but the average premium per policy has risen considerably. Britannic Assurance Company reported a 34.4 per cent growth in new annual premiums in the away from risk business, hence the relatively static position of the new sums assured. Industrial branch rising from £13.6m to £18.3m, with new sums In the Life Broker Division, a 13 per cent rise to £1.7m was assured 36 per cent higher at £239m, against £175m. The underachieved in annual premiums with single premiums doubling to £400,000. Two new contracts lying growth in the branch was around 16 per cent. In the Ordinary branch, total designed specifically for the broker market were launched in

new annual premiums advanced 21.4 per cent from £3.05m to £3.71m, with single premiums slightly down at £221,000, against \$248 000. New sums assured rose 11 per cent from £117m to £130m. Most of the annual premium business was straight with-profits savings schemes, the company's self-employed business at £231,000 was down on the year.

#### Rises

The Co-operative Insurance Society reports new annual premiums in the combined branches rising by 40 per cent in 1979 from £28.25m to £39.5m, with new sums assured passing the fibn mark, reaching f1.05bn against £824m in 1978. The rise in pemiums in the Industrial branch was over 50 per cent, compared with nearly 30 per cent in the Ordinary branch.

New annual premiums of the London and Manchester Assurance rose by 33 per cent overall from £8.6m to £11.4m, while single premiums were 65 per cent higher at £1.3m, against £1.2m. New sums assured were virtually unchanged at £345m. In the Home Service part of the group, total new amual premiums increased by 39 per cent from £5.7m to £7.9m. Indus-

Isomoli in May of a new IB contract. The premium increase in the Ordinary branch was 22 per cent from £2.1m to £2.6m.

L and M also had a very successful year in the pensions field, its. Pensions Division recording new annual premiums for the contraction recording new annual premiums attaching louses facth year in the pensions field its. Pensions Division recording new annual premiums cent of the sum fed and single premiums doubled to over fim. The company's involvement in the pensions field has grown steadily over the past couple of years and bas met with success. The emphasis last year was on pensions with a switch RETIRAL

RETIRAL

New annual premiums field on this plan totated fe10.0ctainst from this £2.28m.

Trumover and profits of the confectionery side have been substantially increased by the contribution from the \$2.38m.

Turnover and profits of the confectionery side have been substantially increased by the contribution from the \$2.38m.

Turnover and profits of the confectionery side maintained its contribution, the traditional confectionery side maintained its contribution of the traditional confectionery side maintained its contribution that traditional confectionery side maintained its contribution from the \$1.00 per purple line, the directors state.

Excluding that contribution form the \$2.10 per purple line, the directors state.

Excluding that contribution form the \$2.00 per purple line, the directors state.

Excluding that contribution form the \$2.00 per purple line, the directors state.

Excluding that contribution the traditional confectionery side maintained its contribution that traditional confectionery side have been substantially increased by the contribution of the confectionery side have been substantially increased by the contribution that traditional confectionery side have contribution to promit to the profits of the confectionery side have contribution to promit to fine part to the profits of the confectionery side have contribution to promit to fine part to fine part to fine part t

BANKING DEPARMEN'

ISSUE DELETMNT

FOOD PRICMOVEMENTS

ry 10 Week ago

1,9682,881

732,837

BOARD EETINGS

year's timus AAY

Interfers: Acieted Newspapers,
Daily Mart's advenced Trust, Horon
Motor, Owinsid Robinson, There
Electrical Indus.
Finats: Grant'est, Lay's Foundries
and Engines Rabert H. Lowe,
Sidlaw: FIRE DATES

	Interime		
	Allied Colloit	Jeg.	18
	Austin (Jameleo	Jan.	23
ĺ	Ellis and Eve	Jen.	26
	Howard Shugg	Jan.	
. !	Lyston Hold	Jen.	
	CAUTOR LOCG.	Jon.	
	Provincial O Trust		
1	Saville Gor (J.)	Ĵzα.	17
1	Scottish, Esh & European		
	Tavellas	Jan.	22
	Smith (Dav.)	Jan.	18
	Conin base	Feb.	5
	Wollmon paering	.inn	15
	· Finals—		
	PINELS-	Jan.	22
i	Bootham Dears		
	Eurothermernational	⊌an.	17
ı	Stakis (R Organisation	Jan.	16

# **Fbrics** oits final

FOLWING A pre-tax loss of f38, at the balfway stage, Boostreet Fabries bas con-

the latter psrt of last year.
Refuge Assurance Company
achieved a 25 per cent growth despite the Board's earlier that one might be possible. in new premiums in its Indus-trisl Branch from £7.7m to £9.6m. per 10p share. with new sums assured 13 per cent Up at £127m. In the

cent up at £127m. In the ordinary branch annual premiums rose by 25 per cent liculties in recovering cost from £3.06m to £3.83m and liculties in recovering cost from £3.06m to £3.83m and liculties in recovering cost from £583,000 to £710,000. New the faced the Leicester manusums assured were 19 per cent thing were also problems sums assured were 19 per cent entire of knitted fashion New annual premiums in the lindustrial Branch of the Roya Mr. McKenzie states that Industrial Branch of the Roya Mr. McKenzie states that Industrial Branch of the Roya Mr. McKenzie states that Industrial Branch of the Roya Mr. Turnover dropped from £8.43m amounted to £6.23m. The grosse, the fallow for £14m. There is a tax credit against premiums in 1978 £230.401.

against premiums in 1978 of £106, £5.55m—an underlying rise of

#### per cent. New sums assuradvanced by 85 per cent fi £75m to £102m. Somportex grows £0.1m

New annual premiums in Ordinary branch sovanced oper cent from £4.18h to a rd £4.57m, with single previs improving by 20 per centm £284,000 to £341,000. New assured amono £6 to imagainst £140m. The rise £55 ness came preominantiom the success of £6 compariew self-employed ensions £26t launched towards the enc. \$778. New annual primiums £78 on this plan totaled £610.000 alast £180.000 in £185. A sharp increase in pre-tax profits from £129,446 to £226,265 is reported by Somportex Hold-ings, distributor of confectionery, groceries and delicatessen products, for the six months to October 31, 1979. Turnover, exclud-

# NMC Inv.

a,761,950

- 147,106,405

- 22,550,020 -- 18,916,176 29,471

- 147,106,405

- £

617,696,841 32,303,159

39.0/51.0

38.0/42.0

† Delivered.

Reflecting Reflecting an improved contribution from its two innustrial subsidiaries, N.H.C. Investments reports an increase in pre-tax profits from £102,058 to £123,400 in the half-year to September 30, 1979.

Lack of activity on the U.S. stock market resulted in fewer investent dealing opportunities, say the directors, and higher interest interest depressed.

share prices.

six months' surplus includes a profit on the sale of investments of £24,861 against £38,946. Tax this time takes £56,198 (£34,594) and there are minorities' profits of £13,402

# Avenue Close

Close, property investment and development concern, improved from £258,362 to £281,673 in the balf year to September 30, 1979. on increased turnover of £548,944, against £446,143.

has started a development programme requiring additional borrowing, as outlined in last

year's annual report.
With the current high interest rates, the interest charges being incurred in these facilities may

tors expect that the 1979-80 payment will be higher than last year's 1.788p.

A professional revaluation of

the company's freehold and leasehold properties has been **BIDS AND DEALS** 

# Highland urges rejection of Hiram Walker offer

BY JOHN MOORE

just over a week before the close of the Hiram Walker offer on

chairman, has told shareholders

that "Hiram Walker's attempts to dress up the bid as being commercially beneficial to Highland is totally unconvincing." In arguing that the bid directly or indirectly, in a sig-makes no commercial sense, Mr. about 68 per cent—of the performance of Ballaotines, the benefits of "The Famous principal Hiram Watker brand of Scotch whisky, is in stark contrast to the rapid expansion of The Famous Grouse by Highland which has increased its home sales over 25 times between 1970 and 1979 while the intal home trade has not even doubted

own exteosive marketlog organi-sation will assist "The Famous Grouse" to realise its full potential outside the United Kingdom, Highland says that Hiram has nothing to offer in this respect. Seagrams, one of this respect. Seagrams, one of the largest drinks concerns in the world, has recently been suppointed os ditributor for "The sppointed os ditributor for "The Famous Grouse" in the U.S., the largest export market.

£1.84m cash. This total was acquired in 1977 for £537,000

nnder a contract to defer psy-ment until August, 1961.

In another deal, Queens Most has bought Heath Court, New-market for £525,000, which in-

cludes cost of conversion to a luxury botel. The purchase price

will be settled as to £175.000 cash

These two deals will increase

Queen's Most's oet assets by over £600,000 and increase avsilable

cash by over fim. In addition, deferred liabilities will be reduced by £537,000.

Rantlodge is at present offer-

A faint ray of light was thrown

yesterday on the purchase by L. Stanley, the privately-owned betting shop and leisure company, of a 21.6 per cent stake in Standard Fireworks, which is based in Huddersfield.

Stanley's chairmao, Mr. Leonard Steinborg who owns the

company with his brother Gerald, the managing director, said that be would be issuing a full state-

This would follow a meeting next Thursday with Standard's mansging director. Mr. Derrick

Worthington, who said last night that be still had no idea about

Stanley's intentions. Standard, whose shares stand at just over

70p, is capitalised in the market

Mr. Steinberg declined to com-

ment on the reasons for Stanley's purchase of 360,000 Standard

shares at a cost of around 1250,000. Originally based in Belfast, Stanley now operates out of Liverpool.

It still runs 17 betting shops

With sales at £1.14m, against

for the half year to September

But the directors say that, as

expected, inflation is affecting the

company's maoufacturing costs with subsequent erosion of margins.

The order book, however, is at

For the year ended March 31.

Tax for the half year took

£44,593 (£49,253) giving stated

earnings per 5p share ahead from

0.443p to 0.551p. The net interim

dividend is 0.225p (adjusted

0.2125p)—last year's total was an

equivalent 0.775p, adjusted for the ooe-for-one serip issue.

The company has "close

A. Arenson (Holdings) has

issued 720,000 ordinary 10p shares, arising from conversion by certain holders of its unlisted

12 per cent partly convertible redeemable cumulative £1

preference shares. There remain

A. ARENSON

Progress by

**Symonds** 

30, 1979,

the year.

to acquire Nationwide

RANTLODGE

Thun, Switzerland.

STANDARD

ment next week.

at about £1.2m.

**FIREWORKS** 

ing to Leisure.

in that period."

Scotch whisky group well known should not accept, Mr. Maphail for "The Famous Grouse" says Mr. H. Clifford Hatch, hrand, has issued a strongly Hiram's chairman, has said in worded letter to its shareholders the offer document that "Highurging them not to accept an land gets only 50 per ecot of the f80m take-over from Hiram benefits of its wholly owned sub-walker-Geoderbam and Worts of Sidiary's sales of "The Famous Grouse" brand which it owns."

The letter has been dispatched Mr. Macphail says Mr. Halch

omitted to tell sharebolders that

Robertson and Baxler contributes directly or indirectly 50
Mr. Jobo Macphail, Highland's per cent of stock financing, of the firm walker's attempts expenses including advertising. Moreover, through its share-holding in Robertson and Baxter, Highland is interested.

> He adds that 60 per cent of the increase to value of the trade cames since 1971 accrues directly to Hightand and that Highland makes a distilling profit supplied to the joint venture.

Mr. Macphail says Mr. Hatch To Hirsm's assertion that its seeks to make much of a possi-own extensive marketing organi- bility that further expansion might lead to Highland calling on its shareholders for more on its sparenoicers for more capital. "In another context Mr. Hatch claims that Hiram Walker, "unlike Highland on its own, has the resources required to develop the full potential of The Famous Grouse." A rights issue is only likely "A rights issue is only likely if the rate of growth is so fast that it cannot be self-financed

North of England. Stanley also has a casino in Stockport and two

the In stressing why shareholders or satisfactorily funded by other means."

He says Highland's borrowings at August 31, 1979, amounted to only 52.2m "which is a substantially lower proportion of capital employed than that of others in the industry and can be compared with the book value of stocks at the same date of £28.4m. Thus it can be seen that con-siderable scope exists for financing expansion on borrowed money without further recourse

In its offer document, High-

to shareholders."

land's letter continues, Hiram Walker states that the offer price "represents a multiple of nearly 17 times Highland's carnings for the year ending August 31, 1979." Highland stresses that Hiram has taken into account only the dividend received by Highland from Rubertson and Baxter and has chosen to ignore Righland's share of that company's profits.
"Although Highland has not consolidated its share of the

profits of Robertson and Baxter in its annual accounts, the commercial reality of their association is clearly not merely that of a trade investment. On a combined basis the multiple of 17 quoted above would fall to 12. No material amounts of mainstream tax bave been paid for many years, and the directors are of the opinion that any calculation of a multiple of earnings which assumes a full tax charge is irrelevant. Mr. Macphail coo-

Queens Moat £1.8m hotel sale Hampshire Most House, Basing- with three in the Isle of Man, stoke, to Bass, the brewers, for and sround a hundred in the

> amusement arcsdes io Northern Ireland, a field in which it is also starting up in the UK. It is believed that the Stanley share package was built up from shares sold by members of the Greenhalth family not directly involved with the Standard hysi-

### and £350,000 in Queens Most ness. Mr. Richard Greenhalgh, ordinary shares. Heath Court who was chairman died late last was formerly a residential year. BORTHWICK TO BUY

BUTCHERS Thomas Borthwick and Soas bas reached agreement, subject to contract, with Booker McConnell for Borthwicks to Ranflodge states that 50 per cent of the compsuy's share capits is beneficially owned by the family of Mr. Werner Rey and the balaoce is owned by a This but purchase for cash the retail butchers shops and busioess trading as Williams Brothers

WILLIAMS

This busioess is operated by

ston, director, should have read preference shares and not ordinary shares as reported. City and Commercial Investment Trust: The Edinburgh Investment Trust have purchased a

furlber 20,000 capital shares and now own a total of 185,000 capltal shares (5.278 per cent). Knmick Holdings: A. Chatalos,

chairman and managing director, has purchased a further 125,000 ordinary not 25,000 as announced on January 8. Mainlin Electronic: Antony

Gibbs Investment management bas bought 241,000 preference shares for its own account. This is in sdditton to existing hold-ings including nominees of 3,233,334 preference and 200,000 ordinary shares.

Kuwait Investment Uffice has acquired 100,000 ordinary making total holding 1.515.000 (See Sec. 1). total holding 1,5t5,000 (5.68 per

Apex Properties: Contaulds (CIF) nominces holds 832,000

shares (7.72 per cent).

Brownlee and Co.—McLeod
Russel and Co. bas transferred
its holding of 880,975 112.43 per cent) to its wholly-owned sub-sidiary Diliroad.

Bertrams-McLeod Russel and Co. has transferred its total hold-ling of 1,073,388 ordinary to its wholly-owned subsidiary Dill-road. This bolding represents or cage per cent (voting strength

24 16 per cent). Burmah Oll Co.—As a result of a purchase of 25,000 ordinary

stock units on the Stock Ex- lesving holding at 574.160.

hution division. It is planned that the purchase will be com-pleted by the beginning of February when further details will be announced.
It is intended that Williams will then be integrated with Matthews Butchers, a Borth-wick's subsidiary. Rank offers

#### £1.8m for R.F. Incham The Rank Organisation has

made an offer worth £1.8m in cash or shares for R. E. lugham

Ingbams specialise in the manufacture of londspeakers and loudspeaker esbinets — s business which complements the existing activities of Rank Audlo Visual.

Inghams will continue to operate as a completely separate

#### SHARE STAKES

Titaghur Jute Factory: The change on December 12, 1877 sequisition by Mr. H. J. Silver the Kuwait Investment Office is now interested in 7,305,000 unit 507 ner cent). Derritron Ltd.—Amalcamated Industrials has acquired \$2,500 ordinary shares bringlor its group's total beneficial interest to 10,221,796 ordinary shares.

85.4 per cent of the issued ordinary share capital.

Empire Plantations and Investments—Single Holdings, an asseciate, bas hought 150,000 Empire Plantations shares at 24 n bringing total holding to 498,000 shares (84 per cent).

Barrow Hepburn Group— Caparo Group has sequired a further 50,000 ordinary making a total of 6,706,040 (27.72 per

Carless, Capel and Leonard D. H. Leonard, director, as trustee disposed of 25,000 shares

G. A. H. Watts, director, has disposed of 49,22t deferred ordinary shares to a beneficiary under the terms of a trust of which he is a trustee. G. F. Gray, director of BET Omnibus Services, bas made a partial exercise of the option granted under the BET option schome, in consequence of which

he will acquire 114,100 BET deferred ordinary at 46p.
Diploma — A. M. R. Parkinson, director, on December 31 ceased to he interested in 16,804 shares following a reorganisation of family intorests.

Alexander Howden Group C. L. R. Hsrt, director, has dis-posed of 25,000 shares at 99p

#### MINING NEWS

# **Great Fingall** and others

BY KENNETH MARSTON, MINING EDITOR

price has yet to produce a crop of costly major new gold mines, it is turning a good deal of attention to the prospects of reopening old mines and the starting up of small new operations. how successful these efforts will prove to be remains to oc seen, but there is no shortage of bope and enthusiasm in the mining world.

هك من الأجل

For example, the Motals Exploration group is to see if sny worthwhile ore reserves still exist at the old Great Fingatt mine in the Murchison Goldfield of Western Australia.

Great Fingall, which was one of the country's highest grado gold mines at the turn of the 1.000 metres to seek a repetition of the previously mined orobody at depth.

Australian Consolidated Minerals is to take a 60 per cont intorest in the venture with the 25 per cent-owned Nickelore having a 30 per cent stake. Metals Exploration will bave the remaining 30 per cent

remaining 20 per cent.
The same three companies are also in a joint venture to explore the Big Bell open-cut gold pros-pect in the same area. Similar respective porcentago interests will apply to this venture, providing that Metals Exploration and Nickelore metch the past expenditure incurred by ACM.

In Canada, Broulan Reef Mines has optioned its Hoyle Townsbip gold prospect, near Timmins In northern Ontario, to Resario Resources in northero Manitoba, Sherritt Gordon Mines is expected to spend around C\$509,000 on an optioned gold prospect shout five miles from its closeddown Lynn Lake properties. In Washington, the U.S. Bureau of Mines has sald that the

White Mountain wilderness In New Mexico bas good potential for the discovery of low grade molybdenum deposits adding. enticingly, that unkoown amounts of gold, silver and copper could also exist with the

molyhdenum. Finally, it is reported from Alaska that the department of revenue there is to ask for legislstion to allow the state to buy

WHILE the strength of the gold of the state's public employees pension fund to be invested in precious metals.

#### BIG PLACING OF MINORCO SHARES

Holders of Charter Consoli-dated who decided to keep the Minorco shares given to them on a one-for-four basis last year ss part of Chartor's reconstruction have done better than those whu accepted the accompanying offer by Anglo American Corporation and Do Beers to take them at a price of \$4.65 per share equal to about 22tp ex premium at that

In London yesterday Micorco wore 70p following reports that Anglo and De Beers were placing some 5'm Minorco shares at \$6.08, or about 269p. It is undernot been completed, is being done by Rowe and Pitman in London and Wood Gundy in North America.

The placing, which could take some time to carry out, covers institutions in the UK, Europe. the Middle East and North Amorica It is a best Amorica It is a endeavours operation

#### **ROUND-UP**

Australis's International Mining Corporation says that results of its initial exploration programme at Wehla, Victoria, were very oncouraging with gold values intersected in both target holes. The company added that a drilling programme on the remaining several hundred metres of the reef is due to compleme and while it is carrying out its own exploration, it will continue talks with majors on a possible farm in over some of these areas.

Tara Exploration and Developmont says that because of an industrial dispute at its Navan lead-zinc mine in freland which centres on the dismissal of a union ropresentative,, there bas been a shutdowo of mine production. A declaration of force majeure has been made under concentrate sale agreements, effective January 7. All the progold to protect some of its invest-ments against inflation. There duction is sold in Europe.

#### Elson & Robbins (PVC loam-Spring units-Products for domestic appliance Industry—Heating and ventilating products—Partitioning)

Profits up 30% in a year

### of substantial progress 99

reports Eric R. Keeling, the Chalrman

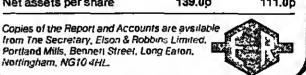
- Turnover rose by 26% to £19.96 million and profits 3.491p makes a total of 5p for the year-up 43%. Capital Investment of almost £1 million in new
- premises and £2.3 million in new plant, equipment and vehicles over the last 3 years has coincided with increased working capital requirements. A 1 for 2 Rights Issue at 40p per share will raise
- approximately £1.28 million and will be used to reduce bank indebtedness. A total dividend of nol less than 5p per share on
- the enlarged shere capital is forecast for the Profits at Elson & Robbins were up 21% and at Domestic Industrial Pressings by 57%. The latter

result reflects our success in developing a range

of products for the Liquid Petroleum Gas market. Sales in October and November were substentially higher than last year and provided there is no serious deterioration in the economic climate, the group's progress should be maintained in the

	Yoar lo 30.9,79	Year Io 30.9.78
Comparative figures	2000	2000
Turnover	19,957	15,839
Profit before tax	2,329	1,660
Eernings per share	33.73p	18.06p
Dividend per share (net)	5p .	3.493p
Net assets per share	1 <b>39.0</b> 0	111.0p

from The Secretary, Elson & Robbins Limited. Portland Mills, Bennett Street, Long Eaton. Nottingham, NG10 4HL



This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange in London. It is not an invitation to any person



#### The Black and Decker Manufacturing Company (incorporated with limited liability under the laws of the State of Maryland, United States of America)

Shares of Common Stock (US \$0.50 par value)

Authorised 50,000,000 shares Issued and fully paid at 15th December 1979 41,998,988 shares

The Council of The Stock Exchange in London has admitted to the Official List all the issued shares of Common Stock of The Black and Decker Manufacturing Company. Particulars relating to The Black and Decker Manufacturing Company are available in the statistical service of Extel Statistical Services Limited and copies of such particulars may be obtained during usual business hours on any weekday (Saturday excepted) up to and including 25th January 1980 from:

> Kleinwort, Benson Limited 20 Fenchurch Street London EC3P 3DB -

Laurence, Prust & Co. Basildon House, 7/11 Moorgate London EC2R 6AH

#### BACON† Danish A.1 per ton British A.1 per ton 1,220 1,220 Ulster A.1 per ton... BUTTER+ 20/14.37 NZ per 10 kg ..... English per 10 kg 18.07 -Danish salted 18.75/19.06 10 kg ..... CHEESE‡ 505 Engish cheddar Irish cheddar .... 1.430/1,440 1,420 Danish cheddar . EGGS\* Home produced: 5.00/5.50 5.35/5.70 4.90/5.00 Size 2 ... January 10 Week ago Month ago . P ٠. BEEF Scottish kille 62.0/67.0 65,0/68.0 ex-KKCF . 40.0/43.0 47.0/49.0 Eire forequa 44.0/46.0 54.0/60.0 English NZ PLs/PMs 51.0/52.0

37.0/50.0

38.0/42.0

es delivered, per tonne.

\* London xchange price per 120 eggs.

The lalibring plantes have not ded dates of beard olings to the Stock Exchanges Surnessings are usually hold for the 2003 of considering dividends of distributions are not evaluable part better dividends are intering of included the out-divisions shown below leased mornly on last year's timutals.

**Bad Street** 

firn the Board's earlier fears that significant improvement wo be forthcoming in the sed balf. Results for the year to tember 30, 1979, show a pre deficit of £83,612 against rd profits of £451,224 in the

year's total was an adjusted he poor results arise from a

at six months

# improves at

mid-term

interest rates further depressed The balf-year's investment dealing profit was satisfactory, they add, but do not anticipate this source of income will reach the tevel achieved last year. The

Last year, the group returned pre-tax profits of £192,500 (£181,769) from its activities of investment and fibre-board £1.04m, taxable profits of Symonds Engineering Co. pro-gressed from £94,808 to £101,022 container manufacture.

at £282,000 a reasonable level and they are hopeful of satisfactory results for Pre-tax profits of Avenue 1979, profits before tax reached £221,492 on turnover of £2.18m.

The directors say the company

have some effect on the full-year results they add. Taxable profits for 1978-79 totalled £698,794. The company pays only an annual dividend, and the direc-

Tax for the half year took
f145,502, against f134,210.

#### group of non-resident clients of a UK firm of solicitors. This group of clients are associates of Mr. Rey who is a Swiss in-dustrialist and sole shareholder of Swiss Metal Works Selve of

NORTH AMERICAN NEWS

# Morgan result points to bank profit squeeze

BY STEWART FLEMING IN NEW YORK

THE FIRST hint that U.S. banks its fourth quarter performance may have found their profits and remarked that a larger squeezed in the final quarter of volume of loans, both at U.S. quarter earnings fell by 5.5 per cent to \$77.6m compared with the previous year. Earnings were also down 3.4 per cent compared with the third quarter

For the year as a whole the fifth largest U.S. commercial bank's profits increased by 8 per cent, from \$266.9m to \$288.3m. On a per share basis income before securities gains or losses in 1979 was \$7.07 compared with

The bank points out, bowever, that in the fourth quarter of 1978 an extraordinary nonrecurring asset sale added \$5.8m to net income. Excluding this item. fourth quarter earnings would have been flat.

Morgan gave no details about 10 per cent higher at \$35.5m, ne factors which have affected compared with \$32.3m in 1978. the factors which have affected

1979 came when J. P. Morgan offices and abroad, was a major contributor to the year-on-year

Bank analysts, however, have been expecting some weakening in earnings in the industry arising in part from the aftermath of the measures taken by the Federal Reserve on October 6 last year which resulted in a sharp rise in interest rates. A marked slowing in what had been a frenetic expansion in bank lending in the U.S. in the third quarter, was also widely expected to affect fourth quarter

Meanwhile, Harris Bankcorp, a leading Chicago bank, reported that its fourth quarter 1979 earnings were up 12 per cent on the 1978 figure, at \$10.7m. For the whole of 1979 earnings were

Manufacturers Hanover Limited

Société Générale de Banque S.A.

Banque Internationale à Luxembourg S.A.

Berliner Handels- und Frankfurter Bank

Den Danske Bank af 1871. Aktieselskab

European Banking Company Limited

Fuii International Finance Limited

Goldman Sachs International Corp.

Kleinwort, Benson Limited

Lazard Frères et Cie.

Morgan Guaranty Ltd.

January, 1980

Nesbitt, Thomson Limited

Nippon European Bank S.A.

Pierson, Heldring & Pierson N.V.

Sumitomo Finance International

The Royal Bank of Canada (London) Limited

J. Henry Schroder Wagg & Co. Limited

Tokai Kyowa Morgan Grenfell Limited

Vereins- und Westbank Aktiengesellschaft

The Investment Bank of Ireland Limited

Manufacturers Hanover Asia, Limited

Mitsui Finance Europe Limited

The Development Bank of Singapore Limited

Chemical Bank International Group

Banque Nationale de Paris

Hambros Bank Limited

Algemene Bank Nederland N.V.

Banco di Roma

Bank Mees & Hope NV

Bank Brussel Lambert N.V.

Copenhagen Handelsbank

Crédit Lyonnais

Banque de l'Union Européenne

Credit Suisse First Boston Limited

BY IAN HARGREAVES IN NEW YORK

diversified U.S. group which recently spun off its Gotaas Larsen sbipping subsidiary, expects 1979 earnings to reach \$65m on sales of \$2.6bn—back to a level in line with 1977, when profits were \$58.8m on sales of \$2.3bn. In 1978, the company's earnings were dragged down to \$12.1m on turnover of \$2.5hn as a result of beavy losses by Gotaas Larsen, which was heavily exposed in the shipping industry slump.
Mr. John M. Seabrook, IU'o

chairman, said in Toronto that the estimated earnings for tast year included all costs assoresults would be shown for the gold miniog. A decision c first 11 mooths in IU's 1979 come in the second quarter.

Mr. Seabrook also said that IU was considering expanding its interests in precious metals if explorations on the edge of clated with the Gotsas Larsen the Arctic Circle showed that spin-off. The shipping company's ore deposits merited luli-scale gold miniog. A decision could

Newmont Mining forecasts

By Our Financial Staff

upturn

NEWMONT MINING. precious metals, oil and gas group, predicts fourth-quarter profits "better than or equal to" the third-quarter earnings of \$1.74 a share or at least 160 per cent higher than the 66 cents a share earned in the fourth

quarter of 1978. Mr. Plato Malozemoff, the chairman, said that Newmont earned at least \$6.28 a share in all of 1979, about five times the 1978 earnings of \$1.28. The booming profits, typical of metals companies in 1979, were largely generaled by higher copper prices and by rocketing oil, gold, silver and molybdenum prices.

Mr. Malozemoff added that Peabody Holding, which is 27.5 per cent owned by Newmount and which lost \$54.4m in 1978, registared "a slight profit" in

However. reports that Peabody bas lquidity problem, he conceded that the coal market was still soft and disclosed that Peabody was closing three of its smaller

Peabody, acquired in 1977 by Newmont, and five other companles when Kennecott Copper was forced to divest it, sold about 61m tons of coal last year compared with 48m tons in strike-plagued 1978. Mr. Malozemost said, however, that its prosit, after adjusting for about \$40m charged against a loss reserve, was "insignificant."

Schlitz denial

Jos. Schlitz Brewing has no intention of closing its brewery in Memphis, Tennesse, said Mr. Daniel F. McKeithan, the chairman, reports Reuter from Milwaukee. He was commenting on a report in a mafiazine suggesting that the 5.5m-barrel plant would be closed.

Genster-Flintkote

74.8 per cent of Flintkote outstanding shares at the time its tender offer expired on Thursday. Reuter reports from San The Dorster sub-

This advertisement appears as a matter of record only.

Allied Irish Banks Limited

U.S. \$60,000,000

Floating Rate Notes 1987

Subordinated as to payment of principal and interest

American Express Bank International Group

Banque de Neuflize, Schlumberger Mallet

Christiania Bank og Kreditkasse

Cazenove & Co.

Dillon, Read Overseas Corporation

First Chicago Limited

Merrill Lynch International & Co.

Nomura Europe N.V. . . . Österreichische Länderbank A.G.

Salomon Brothers International

N. M. Rothschild & Sons Limited

Skandinaviska Enskilda Banken

Creditanstalt-Bankverein

Dai-Ichi Kangyo Bank Nederland N.V.

Kredietbank N.V.

Bank of America International Limited

The Bank of Tokyo (Holland) N.V.

Banque Française du Commerce Extérieur

Den Norske Creditbank

Panmure Gordon & Co.

Kansallis International Bank S.A.

Samuel Montagu & Co. Limited

Bank Gutzwiller, Kurz, Bungener (Overseas) Limited Bank Leu International Ltd., Nassau

Banque Worms

County Bank Limited

Korea Exchange Bank

Lloyds Bank International Limited

Morgan Stanley International Limited

The Nikko Securities Co., (Europe) Ltd.

Svenska Handelsbanken

Williams, Clyn & Co.

Crédit du Nord

HIRAM WALKER-CONSUMERS' GAS MERGER LAN

# The marriage tha looked unlikely

BY RICHARD LAMBERTININGIAL EDITOR

tween Hiram Walker and the which it has held a big equity since it regulates townership stake for some years. of utility compas. "We Consumers' Gas Company will create a major new force in Canadian business. Its com-bined equity base will exceed \$C1 5bn, and earnings will add up to around C\$210m.

At first sight it looks an unlikely marriage. Hiram Walker -- Gooderham and Worts ranks as one of the four largest distillers in North America. Its brands inclode Canadian Club and Imperial, along with imported Scotch whiskies like Balantine's and Courvoisier cognac. It is involved in a botly contested bid for Highland Distilleries, the Scotch whisky company, for which it la offering over C\$200m cash.

Consumers' Gaa distributes natural gas in Central and Eastern Ontario, Western Quebec and Northern New York State. It also has a significant stake in oil and gas exploration and production through its investment in Home Oil Company. Only last month Con-

bolders.

If the latest deal goes through, the new company will get 63 per cent of its earnings

from distilled spirits, 19 per: cent from oil and gas operations and 18 per cent from gas distribution. Although Hiram Walker is the larger of the two com-

panies, the merger is being effected by means of an offer of Consumers' shares to the distillery company's share-holders. They will get 1.375 common shares of Consumers' for each Hiram Walker soare they hold. Consumers' cur-rently has a little over 35m shares outstanding—after allowing for conversion of its preferred stock-and it is now proposing to issue some 47m new shares to Hiram Walker share-

Hiram Walker said yesterday that if it had offered its stock to Consumers'-rather than the other way around-tha Ontario sumers' completed a bid for Energy Board would have bad

THE PROPOSED merger be full control of Home Oil, in to approve the assaction, didn't want to be bered with all that fuss." I company-said, Moreover, bioling the two groups' inter in this way, the balance at of the new business wi not be saddled with largelabs of

goodwill. However, Hiram liker is However, Hiram piece is certainly not going tisappear within the new commerate. Its name will figure gely in the company tri-Hiram Walker Resources is early favourite-and one ole conditions of the deal hat its chairman, Mr. H. lifford Hatch, will becom chief executive officer of the arged

One reaction in Tolo to One reaction in 100 to news of the merger that Hiram Walker is atteming to make itself bid proof by anding its equity base in the learnt only last Nober that nearly 6 per cent its equity had been picek up ICI. equity bad been picek up ICI Holdings, an investmen m-pany which specialises in ir-

The company denies that there is anything defensive about the link with Consumers. It says that five years ago it decided that the scope for future investment in the North American liquor market would be severely limited by anti-trust considera-tions. It still wants to increase its share of the Scotch whisky market-hence the takeover bid for Highlands, a deal which it says is not affected in any way by the link with Consumers. But diversification in North America has been its objective for several years past, and energy activities have been seen as a nstural target.

By merging with Consumers' Gas, Hiram Walker hopes to be able to find profitable ways of exploiting its extremely strong balance sheet. Its shereholders' funds stand at around \$800m.

ing strategic stakes in likely bid and its debt to equity ratio candidates. There has been stands at a highly conservative some speculation since then that 8:92. By comparison with this, Hiram Walker was going to be Consumers' is a highly gaared caught up in the extraordinary business, but even so the debt.
wave of takeovers which is equity ratio of the combined group should be no more than around 30:70. Annual cash flow will exceed C\$325m, and Hiram Walker claims that if it wanted to it would probably be in a gosition toborrow \$600m to \$700m to finance attractive

energy ventures.

Fully diluted earnings of the new group will be about \$2.50 per share, an increase of about 15 per cent on the pro forma figure for Consumers'/Home Oil. Consumers' shares weakened a bit in early trading yesterday, but the general reaction to the news in Canada seems to have been favourable.

If all goes according to plan Biram Walker ahareholders will vote on the des at the end of March. Then management will bave to show that it can translate these fancy financial manoeuvres into solid industrial achieve-

Lex, Back Page

## Gotaas sale aids recovery at IU

INTERNATIONAL, the statement as a discontinued Gotaas Larsen is now based in Bermuda, enabling its ships to sail under flags of convenleace, reducing the extent of scrutiny of its affairs by the U.S. regulatory agencies.

> Without the shipping operation, 1980 should be a good year lor TU, Mr. Seabrook said. He predicted that earnings would grow by between 15 and 20 per

#### Michigan pledges \$200m support for Chrysler

THE STATE of Michigan has offered as much as \$200m in fresh aid to the Chrysler Cor-poration by advancing a loan ecured on Chrysler's Trenton, Michigan, engine plant

This is another step in the tronbled car maker's efforts to get enough money to qualify for the \$1.5bn of federal loan guarantees.

It had been thought that the state would provide funds secured against Chrysler's bead-quarters complex in Highland Park but state officials rejected GENSTAR, the Canadlan-based engine plant. It was thought holding group, announced that that the security provided by its subsidiary has acquired this property was better in the long ruo.

The state pension fund is expected to advance \$175m against the engine plant and the City of Detroit is expected to sidiary had acquired 5.47m make loans close to \$30m sbares at \$55 each, Genstar said. against the company's assembly

Allied Irish Investment Bank Limited

Westdeutsche Landesbank Girozentrale

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Bayerische Landesbank Girozentrale

S. G. Warburg & Co. Ltd.

IBJ International Limited

Bankers Trust International Limited

Banque de l'Indochine et de Suez

Banque de Paris et des Pays-Bas

Crédit Industriel et Commercial

Dresdner Bank Aktiengesellschaft

Hessische Landesbank - Girozentrale

Kidder, Peabody International Limited

London & Continental Bankers Limited

Nederlandsche Middenstandsbank N.V.

Nippon Credit International (H.K.) Ltd.

Sanwa Bank (Underwriters) Limited

Taiyo Kobe Finance Hongkong Limited

Trade Development Bank, London Branch Yamaichi International (Nederland) N.V.

Robert Fleming & Co. Limited

Lazard Brothers & Co., Limited

Mitsubishi Bank (Europe) S.A.

Morgan Grenfell & Co. Limited

Orion Bank Limited

Rothschild Bank AG

Sparekassen SDS

DG BANK Deutsehe Genossenschaftsbank

Genossenschaftliche Zentralbank AG, Vienna

Bank für Gemeinwirtschaft AC

Bank Leumi le-Israel Group

Chase Manhattan Limited

Daiwa Europe N.V.

Continental Illinois Limited

Banca del Gottardo

Bergen Bank

plants in the city. But Chrysler has to come up with more finance from its bank ers-possibly its long-term lenders and probably from the sale of assets—if it is to qualify for

the government loan guaran-tees. These talks are now in progress. Offer for

### FP climbs to C\$149m

By Robert Gibbens in Montreal

THE BIDDING for FP Publications, the eight-paper Canadian newsnaper chain which owns the Torooto Globe sod Msil, bas reached the equivalent of C\$149m (\$128m),

Mr. Howard Webster, chair-man of the Globe and Mail and figure for all the sbares of FP.
This is roughly C\$10m above
the rival bid from Thomson
Newspapers, the Thomson

#### EUROBONDS

#### Activity in hard currency sector

By Francis Ghiles

WITH THE dollar sector of the Eurobond market remaining very quiet yesterday and secondary market prices essentially unchanged, the only sectors where new issuing activity proceeds apace are the bard curreccy ones. New Deutschemark denomi-

nated foreign bonds are announced virtually every day and the two private placements just completed bring the volume of new foreign Deutsche Mark bonsd launched in the past two weeks to just over DM 1bn (\$0.58bn).

A DM 100m six-year bullet

issue has been completed for Oesterreichische Kontrollbank through Westdeutsche Landesbank. The borrower is paying a coupon of 7? per cent and the bonds have been priced at paf. Also priced at par was a DM 20m eight-year private placement for Eurofina, the European railway stock financing company which bas been arranged by Deutsche Girozentrale-Deutsche Kmmmunalbank, The borrower is paying a coupon of 7% per cent.
In the Swiss Franc sector.

new bonds are well received but secondary market trading con-tinues to be extremely thin. A SwFr 50m (\$31m) issue was announced for the Jutland Telephone Company which carries s coupon of 51 The lead manager is Union

Bank of Switzerland. The public attack made in a Daoish newspaper yesterday by the Governor of the Bank of Denmark against the way in which his country's economy has been managed in recent years bad no effect on the secondary market prices either of dollar, Deutsche mark or Swiss Franc denominated bonds for the Kingdom of Denmark or other

Kingdom of Denmark or other Danish borrowers.

Michael Lafferty writes:
Forther evidence of upheaval of Kidder. Peabody London came last night with the announcement from Credit Sulsee First Boslon that Hans-Joerg Rudloff, furmerly chairman and managing director of Kidder Peahody International, is joining it in a senior management position. He will carry the title of managing director and will be responsible for strategic diversification moves at CSFB, according to Dr. Micbael von Clemm, the chair man and chief executive.

# Warningby Emerson Electric

EMERSON ELECTRIC exp machinery sectors, which now residential construction sector of a strong trading performance provide some 23 per cent of the first half of the current yesales, are regarded as attractive but is braced for more challen areas for sequisition moves.

but is braced for more challed areas for sequisition moves.
ing circumstances in the seco. The first quarter has gone half. Mr. Charles F. Knightell, with earnings "consider-thalf. Mr. Charles F. Knightell, with earnings consider-thalf. Mr. Charles F. Knightell, with earnings "consider-thalf. Mr. Charles F. Knightell, with earnings of consideration and chief executive that half sales of \$576m in the said in London yesterday. Omparable period. But the He said Wall Street forecast cond quarter could be more of earnings of about \$3.60. Afficult and the third quarter share for fiscal 1980 are in linduid show the effects of the with expectations in the Board-tession expected this year in room.

U.S. Emerson is "in discussions in Rnight expects the third with more than one acquisition final quarters to show a prospect," he added. They are vidown in consumer durables U.S. companies with inter-national operations. in residential bousing. Some

components for heating, ventileting and power controls.

About 32 per cent of sales are made up by consumer sales of welders, band saws, hand tools and other products.

Mr. Knight said Emerson regarded Exxon Corporation's purchase of Reliance Electric as a "welcome" development in the market for control systems for electric motors.

He foresaw opportunities for Emerson in the entire field of energy efficiency, by way of its sales of components to utilities, the oil industry as well as the er cent of Emerson's sales air conditioning in the form of sales to the appliance industries: conditioning and gas

#### FT INTERNAONAL BOND SERVICE

The list shows the 200 latest in tional bond issues for which an adequate accordary market exists. For further details of these deer bunds see the complete list of Eurobond prices published on the second Monday of each month.

Chair C man of the Globe and Mail and a major holder in FP Publications, said he is offering that figure for all the sbares of FP. This is ronghly C510m above the rival bid from Thomson Newspapers, the Thomson family's North American newspaper chain.

Earlier, the Conrad Black interest bad offered C\$119m. OTHER STRAIGHTS | seued Avco Fin. 10<sup>1</sup>, 95 CS | 50 CT | 50 EX TTE Finance 94 89 .....

CMAC 94 86 .....

Gould Int. Fin 94 85 .....

Hudson eay Co. 10 84 .....

HTT AntiNes 94 98 .....

Kannocett Int. 94 89 .....

Manilobs 91 89 .....

Michelim 10 94 ....

Nat Oes. Telecm. 94 96 ....

Nat Oes. Telecm. 94 98 .....

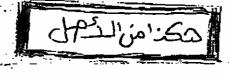
Norges Koram 94 99 ....

Norwey 94 94 .....

Nove Scatia Peer. 94 89

	SOFTE BL 89 FUA
	SOFTE 84, 89, EUA
•	Amey 87, 86 El
	Norway 87, 84 FI 100 95 DEL AN AM C 20
	Norway 83 84 F) 100 96 963 0 0 9.25
	Rabobank & 84 Fi 25 1007, 1017, 0 +01, 2,69
	All France 11 84 FFr . 120 977, 987, 0 +07, 11,43
	Finland 11 84 FFr 80 963 963 0 0 12.16
	2ioland 11 89 FF1 70 544 554 0 0 12.44
	Faz de France 11 84 FFr 150 971, 981, 0 0 11,65
	anault 93 85 FFr 100 882 893 0 -00 12,49
	aint-Gobain 91, 98 FFr 130 851, 267, n -01, 13,13
	olvay at Ca 91 87 FF: 125 831 842 0 0 13.38
ċ	8 112 91 F 150 827 837 0 0 13.06
	nance for Ind. 13 91 £ 15 964 97 +01, 411, 13 58
	i. for Ind. 121, 89 £ 30 927, 531, 0 +02, 13.78
	Foresta 83, 91 KO 7 4021 98 - 03, +1 13,77
•	Asubishi 74 84 KO 10 1953 957 0 0 8.68
	N 165 Kom. 7, 89 KO 12 1931 932 0 0 8,50
ı	Al St. 87 Liver 500 4001 904 0 0 0.65
١	tulom 8 87 LuxFr 500 904 914 0 .0 9.72
١	03 City of B 89 LuxFr 500 90 91 0 +04 9.68
4	VON-91 87 LUXFI 500 981 991 0 0 9.98
	Notway 81, 84 F    100   86   961, 101, 101, 100     Rabobank 8 84 F    100   96   961, 101, 101, 101, 100     Rabobank 8 84 F    25   1007, 1011, 0   101, 101, 101, 101, 101, 101
	Bandi Rome Int. 5 87 OL 993 1001 2014 151 5 7
	Baschary, 8A 74 86 04 984 974 5/6 149 14 95
	33nch iquito 6 86 02 872 872 21/3 134 13.74
	lank Tokyo St. 89 +01 871 871 21/2 16.69 15.13
	16/9th A/5 6-89 103 953 964 29/2 14 21 14 93
	100 10 Suez 54 89 04 984 984 11/1 11 11.17
	10 97 87, 22/2 11.94 12.28
	COULY F. 83 540 991 100 22/2 152 152 15
	CONTYS F. 84 40 98 991, 29/2 15 15 11
	971, 372 SI 104, 971, 381, 14/3 1474 15.18
	Dog
	Integra 89 09: 943 954 23/5 16 16.82
	17 1851 86 01 97 97 18/4 141 14.89
	274 974 1/5 14.10 14.66
	Nectal 5 5 94 10 38", 38", 29/2 12.81 14.01
	Nar. Ves. 24 93 01 97' 97' 25/1 11'2 11.78
1	Nippl C3F 67 86 04 972 973 12/1 10/2 14 45
	Soc 044 54 94. 5104. 983, 383, 11/7 14.34 75.17
	Sogen 5: 87 0 96 2 87 3/4 134 13.70
	Swedon 8 105 975 977 1977 15 15 25
	Urd Out 2-lock) 01 975 975 24/5 16.27 15.69
1	Williams 8 89 104 874 877 25/3 15.37 15.73
.	Bq. £ 1 189 SF 01 961 97 1875 560 000
	CONVERTE
]	AGA ALI'D. date price Bid Offer day Prem
ļ	Alco Int. F 89, 10/79 145 99 100 0 -5.23
ļ	Asahi Opucia 1/60 40 524 534 0 13.89
1	Cibn Gaine d 8/78 \$70 1051 1064 +01 1 85
1	Credit Suisas 94 9/79 675 88 89 -05 -4.57
1	Credit Suissa 34 3/78 575 88 89 -05 -4.57 Daiss Inc. 61 10/79 1325 1004 1004 1004 +01 -1.1 Daiss Inc. 61 11/79 1020 974 984 +01 4.90 Handa Morre 9/79 159 934 944 0 -1.42
₹	9/79 4EA 070 BES A
١	
Ì	Meldensha Elet 3/73 35 39 100 - 01 0.58
1	Mileubishi Cp., 12/19 210 83's 84's 0 16,49
Í	Nippon Seiko 2 10/79 594 127 124 - 12 8.65 Natio Elect and 12/78 339 33 94 - 02 3.12 Natio Elect and 17/79 738 34 35 - 02 13 82
١	T-10164 F-4 75 ///# 400 12.86
ı	Union Bk. Switz 10/76 198 974 984 -04 5.20
Į	Figures 5 84 DM 2/80 125 110 111 +0 5 580 Kensel Elec 4 84 7/79 476 95 100 -0 18.06
Ĭ	Kensel tiec. 4 64 200
ŀ	Hay Co. 81 85 14/78- 433 - 794 804 -07 52.13
Į	1/79 1071 984 994 6 29 94
I	No informat table—previous day's price. 1 Only one maker supplied a price. Spraight Bonds: 12 maker supplied a price. mid-price: the gris the yield to redemption of the
Ì	Straight Bonds: Dr maker supplied a price.
1	mid-price; the stis the yield to redemption of the

ornertible Bonds: Lated in dollars usless otherwise indicates. Chiangs an day. Cox. deleFirst dete for coi Citangs an day. Cox. deleNominal esquint
Currency of share per chare expressed in
Percentage of session rate fixed of issues
of acquiring shares the corrent effective price
of acquiring shares thereof some the



highly county in market of the county in the

thance allowers the control of the c

er charenolds.

are no der r an in a nagement in a

.. Back Page

etric

one ruction tent.
for heating rent.

but deut of ales

Contamer Sig.

nd in a head o

an said Emer

Rollinge Electe

Control () Hemit

error by half

Totals to mine

27d =

RVICE

Clucis

#### INTERNATIONAL COMPANIES and FINANCE

# Italian Government injects fresh funds into chemical group

BY PAUL BETTS IN ROME

THE ITALIAN Government yes The consortium, led by IMI. terday, temporarily bailed out Societa Italiana Resina (SIR), the country's third laregst chemical group, by injecting a total of some Lire 766bn of further L Sibn (\$100m) of fresh funds, to recapitalise SIR funds in the troubled company now on the verge of figuracial

Disagreements and delays in the constitution of a banking emergency intervention, the consortium to salvage SIR have problems of SIR are widely exacerbated the difficulties of regarded as being hy no means consortium to salvage SIR have exacerbated the difficulties of the chemical enterprise.

But the minority Government of Sig. Francesco Cossiga again came to the aid of SIR which has substantial investments in the depressed south of the country, by approving a decree law yesterday which will see GEPI, the state group set up to salvage troobled companies, participate

GEPI will provide some
L 81bn of fresh capital to SIR. This, according to Sig. Antonio plants. Bisaglia, the industry Minister, The will resolve the troubled groups immediate sbort term problems. industry was to be based was In the longer term, the future an eventual rationalisation of of SIR will depend on the industry into two main country's long delayed recovery groups, one controlled by ENI programme for the Italian chemical industry.

SIR's current difficulties result

This would have eventually groups and the results of t

to participate actively in the fourth chemical enterprise now hanking consortium recently set also facing dire financial diffiup to salvage SIR. culties.

and help launch the heavily indebted company's recovery programme,

Despite the Government's

Indeed, the prospects now look even bleaker for SIR in particular following an announcement by Sig. Siro Lomhardini, the Minister of State Holdings, that ENI, the Italian state hydrocarbons group with substantial interests in the chemical sector, had no intention of eventually partici-pating in the rescue of SIR by taking over some of SIR'a main

The broad principle on which the recovery of the chemical

SIR's current difficulties result from the refusal so far of Ital-seen Anic, the ENI chemicals casse, the central institute subsidiary, intervene both in grouping Italy's savings banks, SIR and Liquichimica, Italy's

### Swedish retailer back in the black

BY VICTOR KAYFETZ IN STOCKHOLM

NK-AAHLEN, the Swedish were SKr 4.99bn, up 4.5 per retailing group, reports that all cent. B and W turnover rose divisions showed a clear rise in earnings last year.

4 per cent to SKr 1.95hn while the Aahlen division had sales

tax profit of SKr 8m (\$1.9m) after extraordinary items.

The Board recommends passing the dividend for the third consecutive year. But it proposes paying SKr 7 per prefer-

(\$2.12bn). Private consumption This was announced yesterday in Sweden was relatively by the Swedish Industry buoyant but its growth rate Ministry in its section of this declined during the autumn, year's draft Budget Bill.

sharper cost rises. The NK department stores aid in 1978.

This belped to put the group of SKr 996m, or more than 13 hack into the hlack with a pretary profit of SKr 8m (\$1.9m) a turnover of SKr 829m, up about 2 per cent.

The group's net financial costs dropped from SKr 72m to SKr 81m and investments were consecutive year. But it proposes paying SKr 7 per preference share for a total of SKr 159m. Net profit after allocations and tax was SKr 2m, against a loss of SKr 60m.

This is meant to cover SKr 3.50 apiece for 1977.78 and 1978.9, the same dividend paid in 1976.7.

Group sales, excluding units disposed of during the year, rose 5 per cent to SKr 8.76bn (\$2.12bn). Private consumption

SKr 61m and investments were down from SKr 224m to SKr 159m. Net profit after allocations and tax was SKr 2m, against a loss of SKr 60m.

Statisforerizg, the Swedish state bolding company, expects to reduce its losses for 1979 to SKr 320m (\$77.5m) from the SKr 929.4m deficit incurred in 1978.

This was announced vesterday

NK-Aahlen says.

The group predicts that the shipyards group Svenska Varv, current year—ending October, 1980—will see a lower growth rate against a background of Swedish private consumption. Swedish private consump-tion, accelerating inflation and a SKr 2.15bn loss before appropriations, taxes and Government

The NK department stores and B and W suhurban shopping centres showed satisfactory profits, while the Aahlen and Tempo department store chains registered continued uncatisfactory earnings.

The NK department stores and Structure amounted to shipyards amounted to around SKr 12hn for 12hn for

The Tempo division's sales aid.

CONTRACTS AND TENDERS

Yemen Arab Republic

Yemen General

**Electricity** 

**Corporation** 

**132KV Transmission Project** 

It is the intention of the Yemen General

Electricity Corporation to call for tenders for

Only firms with adequate experience who can provide proof of having successfully completed

the Yemen Arab Republic.

132KV transmission lines contract YEM 052 for

Firms are invited to register by the 25th January.

1980 their Intention to apply for tender documents which will be available by mid February 1980.

works, preferably in the Middle East, of comparable value and who have registered their interest may

obtain the documents which will be available from

Arab Republic or from their consulting engineers,

Woking, Surrey, England. Firms are not required

sterling will be charged for each set of documents

The scope of the work will comprise double

substation at Dhamar via a substation at IBB to a

substation at Taiz. The total route length will be

with their tender for financing the project.

Tenderers will be requested to submit proposals

Firms wishing to register should apply intwriting

to the Chairman, Yemen General Electricity Corpo-

ration, P.O. Box 178, Sana'a, Yemen Arab Republic,

sending a copy of this letter to the Engineer, Messrs.

Premier House,

circult transmission line on steel towers from a

to provide evidence of experience at the time of

the offices of the Corporation in Sana'a, Yemen

Messrs Kennedy and Donkin, Premier House,

A non-returnable fee of 1500 YR or £150

#### Weaker **Swiss** profits predicted

By John Wicks in Zurich

SWISS manufacturing com-panies are optimistic about demond in 1980, according to a survey carried out by Union Bank of Switzerland (UBS). About 75 per cent of companies answering a bank questionnaire expect a rise in turnover this year ond a good third of the sample expect growth in excess of the cur-

rent inflation rate. A further 18 per cent anti-cipate that 1980 turnover will be at about last year's level, while only seven per cent believe sales will fall. In 1979, about one-fifth of the companies under review are said to have shown a fall in turn-

Despite the anticipated rise in industrial sales, only 35 per cent of the companies xpect improved profits for

in earnings for 43 per cent of the sample last year. A fur-ther 44 per cent, compared to 32 per cent last year, are expecting profit levels to re-main unchanged. For the first quarter of

1980, better business is awaited, particularly by the machine-hullding, metal-working, chemical, textile and paper industries. Growth is expected to slow in tha construction sector in view of rislng building costs.

· Group turnover of the Swiss engineering company Von Roll, last year passed the SwFr 1hn (\$0.6bn) mark for the first time, occording to provisional results. This means a rise of at least 17 per cent compared with the previous 13-month financial period. Within the group total, parent-company sales went up by some 20 per cent to over SwFr 500m.

Von Roll, which has faced considerable difficulties in recent years, reports a "marked improvement in "marked improvement in profitability" in 1979. Tha Board foresees a "clearly positive" cash flow for the parent undertaking for 1979. The improved earnings are attributed to higher turnover, better capacity use and re-

#### Ferrostaal wins higher sales

By Kevin Done in Frankfurt

FERROSTAAL, the West German steel, process plant and marine trading concern, increased its sales by 10 per cent to DM 2.9bn in the financial year to the end of June 1979.

owned by the Gnteboffnungshutte group, is carefully optimistic about its prospects in the current business year. Its trading activities with

the building and construction industry should be employed to capacity with present orders well into next year and it is expecting an up-turn In the ship trading sector.

Hopes for on improvement in the shipping industry could be dashed if U.S. grain deliveries to the USSR are halted, says Dr. Hans Singer,

Ferrostaal chlef executive. The main rise in Ferrostaal business in the last year came from its third-party steel-trading activities, which increased by about 20 per cent compared with 1977/78.

General overseas contracting for large-scale plants and steel grew by only 5 per cent, while its domestic steel-trading hnsiness increased by some 10 per

To improve its share of the international market for plant erection, Ferrostaal la taking a minority stake (25 per cent plus one share) in DSD Dillinger Stabibau, a West German steel construc-

tion company. DSD, with 8,000 employees, has ounnal sales of DM 500-600m and an order book standing at DM 700m.

#### Poor year for German funds

FRANKFURT -- Last yar was o poor one for most West German investment funds, according to the Investment Funds Association (BVI). Only real estate investment funds showed growth in assets of between 4.6 per cent and 6.7 per cent, while mntual tunds? Iding German shares lost between 2.1 per cent and 7.1 per cent.

Funds holding bonds showed marginal to modest growth, in the 0.3 per cent to 2.1 per cent range, while mixed funds ranged from a growth of 0.5 per cent to a decline of 5.7 per cent. International funds, invested in securities of several countries registered widely divergent results, ranging from a gain of 23.5 per cent and losses of

19.4 per cent. The results of montual funds reflected the 114 per cent overall decline of share prices listed on the Frankfurt bourse, while fixed income securities funds suffered from Bundesbank's tight credit policies: Foreign exchange turbulence, "strongly affec-ted" the results of international funds.

**DUTCH PROPERTY** 

# Poised for expansion

BY CHARLES BATCHELOR IN AMSTERDAM

companies have been undergoing a period of readjustment. Small companies have merged into larger units, new companies have been set up or revamped and two property groups have carried out major share issueo in the past few months.

The point of much of this activity has been to develop large enough units to support expansion abroad, particularly into the U.S. The narrowness of the Dutch property market and the small number of first class Investment opportunities at bome long ago persuaded the property funds to move into other European countries, notably West Germany, France and Belgium. They are now making the leap across the Atlantic. Wereidhave, the company

with the largest portfolio, recently made a one-for-four rights issue and gained a listing on the London Stock Exchange. Sarakreek has also placed new shares with the specific intention of funding expansion in the U.S. The Robeco investment group added to its property stable by launching Rodamco last March since when Rodamco last acquired a majority sharehas acquired a majority shareholding in another property fund Euple. Three small property funds, Agora, Breevast 67 and Breevast 75 have merged to form the Alvamij group.
In the Netherlands, rent controls have reduced the appeal

of the housing sector to the bigger investor. The competi-tion for good Dutch commercial tion for good Datch commercial aggressive of the Dutch com- among the companies and with property has forced up mar- panies. "There is not much other institutional investors ket vales and brought ahout a competition when it comes to appear likely.

DUTCH property investment considerable decline in yields, complex international takeovers Rodamco recently calculated rental yields at 7.5 per cent in the U.S. and seven per cent in Belgium and France compared with only 6.5 per cent in the Netherlands. This was bowever better than West Germany and

In contrast, the U.S. has much to offer. It is a large and stable

A recent flurry of activity on the Dutch property scene marks the beginning of a new phase of expansion — with most professional investors lining up their sights on the U.S.

market with o minimum of controls. Despite fears of a down-turn in the U.S. economy, Sarakreek expects the U.S. property market to remain attractive. High interest rates are likely to persuade companies to aell and rent back property rather than to refinance purchase, it

American market in conjunction with mortgage bank Westland- for company tax, but at Utrecht, warns of the complexity the same time not required to of the U.S. market. A local presence and the ability to react swiftly are necessary for success,

it says.

With a property portfolio worth around Fl 830m (\$437m)

Advantageous Mancing arrange ments can frequently he taker over too," the company ex-plained recently. Last year it made an unsuccessful bid for English Property Corporation

Wereldhave, like Sarakreek, seeks a hroad international spread of investors in its shares. To this end it has acquired o London listing and increased its capital by a rights issue in December to fund a further expansion in the U.S., where 11 per cent of its portfolio is invested.

Rodameo is alone among Dutch property groups in that it fixes its daily share price on the hasis of net asset value: it had FI 500m of property investments at the end of Angust.
Rodamco controls 55 per cent

of European Property Invest-ment Company (EUPIC) which was set up by seven hanks and investment groups in 1973. EUPIC has a portfolio worth Fl 225m, mainly in European office property.

Unlike many other propert concluded recently.

Wereldhave, which recently fled as an investment institucarried out a study of the tion for tax purposes which means that it is not zero rated A local distribute all its profits. Dutch property companies are

further in the new decade. It is unlikely, however, that the final battle lines have been Wereldhave has proved the most drawn up and further link-nps

# Share Registration

Hill Samuel Registrars Limited has been appointed London Registrars of the following companies, all of which are incorporated in the Republic of South Africa:

**Bracken Mines Limited** The Grootvlei Proprietary **Mines Limited** 

Impala Platinum Holdings Limited

Kinross Mines Limited Leslie Gold Mines Limited Marievale Consolidated Mines Limited

St. Helena Gold Mines Limited U.C. Investments Limited

Winkelhaak Mines Limited.

All correspondence regarding registration or transfer of shares in these companies should in future be addressed to:



A member of the Hill Samuel Group

#### **CANADIAN IMPERIAL** BANK OF COMMERCE

STATEMENT OF ASSETS AND LIABILITIES

as at October 31, 197		
	1979	<u>1978</u>
ASSETS	\$ 8,929,191,387	\$ 7,247,734,219
Cash and due from banks Cheques end other items in transit, net	554,416,886	986,145,891
Total cash resources	9,483,608,273	8,233,880,110
Securities issued or gueranteed by Canada, at amortized value	2,119,030,659	2,088,079,237
Securities issued or guaranteed by provinces, at amortized value	79,735,931	62,740,951
Other securities, not exceeding market value	2,372,207,206	<u>2,255,762,562</u>
Total securities	4,570,973,796	4,406,582,750
Day, call and short loans to investment dealers and brokers, secured	509,874,740	312,494,831
Other loans, including mortgages, less provision for losses	27,887,814,680	<b>2</b> 2, <b>69</b> 8, <b>79</b> 3, <b>897</b>
Total loans	28,397,689,420	23,011,288,728
Bank premises at cost, less amounts written off	357,425,187	328,587,673
Securities of and loans to corporations controlled by the bank	994,978,185	734,649,023
Customers' liability undar acceptances, guarantees end latters of credit,	0.410.047.000	1 500 074 044
as per contra	2,140,917,023	1,522,374,211 34,988,121
Other assets	48,965,099	\$38,272,350,616
LIASILITIES	\$45,994,556,983	<del>\$30,272,330,610</del>
Deposits by Canada	\$ 638,185,905	\$ 1,127,514,188
Deposits by provinces	563,676,276	491,889,670
Denosits by banks	8,761,243,291	6,675,221 <b>,2</b> 67
Personal savings deposits payable after notice, in Canada,	14,759,764,105	12,295,510,653
in Canadian currency	17,152,539,590	14,416,576,817
Other daposits	41,875,409,167	35,006,712,595
Total deposits	2,140,917,023	1,522,374,211
Acceptances, guerantees and letters of credit	175,406,639	176,518,902
Other liabilities		356,278,341
Accumulated appropriations for losses	362,310,725	330,278,341
Capital Funds:	400,848,000	300,000,000
Debentures issued and outstanding	400,848,000	300,000,000
Capital: Authorized—62,500,000 shares of a par value of \$2 each issued—39,195,000 shares fully paid up	78,390,000	77,926,332
Rest eccount	960,810,000	830,709,657
Undivided profits	<u>465,429</u>	<u>1,830,578</u>
Total capital funds	1,440,513,429	1,210,466,567
	\$45,994,556,983	\$38,272,350,816

#### STATEMENT OF REVENUE, EXPENSES AND UNDIVIDED PROFITS

for the financial year ended Octo	ber 31 <b>,</b> 1979	
	<u>1979</u>	<u>1978</u>
REVENUE Income from loans	<b>\$ 3,777,222,619</b>	\$ 2,549,921,180
Income from securities	427,864,678	290,698,256
Other operating revenue	248,804,124	<u>198,854,639</u>
Total revenue	4,453,691,421	3,039,474,075
EXPENSES		
interest on deposits end bank debentures	3,246,922,089	1,917,413,667
Saleries, pension contributions and other staff benefits	546,791,532	465,118,603
Property expenses, including depreciation	146,335,5 <b>20</b>	120,265,393
Other operating expenses, including provision for losses on loans	074 644 200	231,151,073
based on five-yeer average loss experience	274,641,209	
Total expenses	4,214,690,350	2,733,948,736
Balance of revenue	239,001,071	305,525,339
Provision for income taxes relating thereto	37,700,000	112,000,000
BALANCE OF REVENUE AFTER PROVISION FOR INCOME TAXES	201,301,071	193,525,339
Appropriation for losses	15,000,000	40,000,000
Balance of profits for the year	186,301,071	153,525,339
Dividends	62 <u>,666,220</u>	53,360,810
Amount carried forward	123,634,851	100,164,529
Undivided profits at beginning of year	1,830,578	1,666,049
Attended history are safety as 1	125,465,429	101,830,578
Transferred to rest account	125,000,000	100,000,000
	\$ 465,429	\$ 1,830,578
Undivided profits at end of year		

#### STATEMENT OF REST ACCOUNT for the financial year ended October 31, 1979

Balance at beginning of year Premium on issue of capital stock

<u> 1978</u> <u> 1979</u> 640,000,000 830,709,657 5,100,343 90,709,657 125,000,000 100,000,000 \$ 830,709,657 \$ 960,810,000

**European Operations Office** 55 Bishopsgate, London EC2N 3NN

Transfer from undivided profits

Balance at end of year

More than 1700 branches in Canada

**Head Office: Toronto** 

Offices throughout the world

Atlanta - New York - Portland, Oregon (4 branches) - Seattle - London - Frankfurt - Paris - Hong Kong - Antique - Baltannes - Barbedos - Cayman Islam
Limited, a wholly owned subsidiary with 13 branches in Jamaica - Bank of Commerce Trinidad and Tobago Limited, a wholly owned subsidiary with
Lucia - St. Viscent - California Caractian Bank, San Francisco, a wholly owned subsidiary with 20 branches in California - Manama, Bahrain Offshore
Commerce (International) S.A., Peris and Commerce International Finance Company (Asia) Umited, Hong Kong, subsidiaries of a controlled corporate
Commercy Unit--Trust Operations in New York - Bahamas - Barbados - Grand Cayman - Jameica - Trinidad and Tobago—Resident Representatives in Chi am - Milan - Zurich - Bahrain - Tehran - Sydney - Tokyo - Mexico - Buence Aires - São Paulo.

approximately 140KM.

issued.

Woking, Surrey GU21 1DG KENNEDY & DONKIN Consulting Engineers

KENNEDY & DONKIN -

Sezione Autonoma per il Finanziamento di Opere Pubbliche ed Impianti di Pubblica Utilità

ISTITUTO BANCARIO SAN PAOLO DI TORINO

Head Office: Piazza San Carlo 156 - Turin (Italy)

# **Issue of** 200,000,000,000 Italian Lire 9% Bonds 1979-89 linked with the ECU (European Currency Unit)

The nominal value of the bonds and interest will be reviewed annually in line with the floating value of the lira against the ECU

Issue price: The bonds were issued at the price Repayment: 1/5 of the initial nominal value of of 95 lire each on 15 December 1979 in denominations of 1,000,000, 5,000,000 and 10,000,000 lire.

Revision of the nominal value: On 14 December of each year, commencing 1980, the nominal value of the bonds will be reviewed on the basis of the ratio between the average value of the official lira/ECU rates for the period 15 October-15 November and the value of 1,147.92, being the average value of the official lira/ECU rates for the period 15 October-15 November 1979.

Interest rate: Interest will be payable annually in of the Council of 18 December 1978. arrears on 15 December at the rate of 9% per annum before the reductions required by Italian law. Interest will be calculated each year on the nominal value as of 14 December. The value of the individual coupons will therefore be revised on the basis of the nominal value of the bonds.

each bond will be repaid annually beginning 15 December 1985. Repayment will be equal to the nominal value as of 14 December of the year. in which the bonds are to be repaid, according to the trend of the lira/ECU. Such amount however will not be less than the initial nominal

Taxation: The yield of the bonds is liable to a withholding tax of 10%.

Definition of ECU: ECU is the new unit of account established by the European Monetary System pursuant to the EEC Regulation no. 3180/78

# business l'remises

LONDON-MARCH 24 & 25, 1980

and Profitability

The Financial Times and the National Federation of Building Trade Employers, the Federation of Civil Engineering Contractors and the Royal Institute of British Architects will hold a conference in London on 'Business Premises and Profitability'.

A distinguished panel of speakers will analyse the role of the construction industry in promoting national development and the financing and planning of industrial and commercial premises for improved profitability.

By hearing the experts' views first hand and participating in discussions you will gain an invaluable insight into trends, which will undoubtedly affect business and the economy in the years ahead.

Complete and return the coupon below for full details of the agenda and registration procedures.

BUSINESS PREMISES AND PROFITABILITY

To: Financial Times Limited. Conference Organisation, BUSINESS PREMISES AND PROFITABILITY' Bracken House, 10 Cannon Street. London EC4P 4BY. Tel: 01-236 4382.

Please send me full details o	f your conference 'Business Premises and Profitability

Address

Name

Company

A FINANCIAL TIMES CONFERENCE

# INTNL. COMPANIES and FINANCE

# Hongkong Land makes major sale

BY PHILIP BOWRING IN HONG KONG

A STILL shadowy group of overseas Chinese interests from capital gain of HK\$185m, South-East Asia, which goes achieved in just 13 months. It under the name of the Country under the name of the Carrian was in December 1978 that Group, stunned even Hong Kong for the second time in two weeks yesterday with the accouncement that it was buying a central Hong Kong office block from Hongkong Land for almost HK\$1bn (US\$202m) through its subsidiary Extrawin. On December 29, it was announced that this same group was paying HKS487m te Steinx for its 52 per cent holding in the quoted property company Hon Enterprises, and would make an equivalent cash offer to the minority share-

Hongkoog Land is selling Gammon House for HK\$ 998m, payable in three instalments, the last being in July of this Land bought Gammon House from Jardine Matheson, with which Land is closely associated, for HK\$715m in cash. The deal was widely criticised at the time as an incestuous one which would help a cash-poor Jardine, but would involve Land in heavy and costly borrowing.

Both critics and supporters of the deal can take comfurt from the latest news. Land has netted a handsome capital gain, and at the same time relieved itself of a lossmaker. Land admitted yesterday that the level of interest rates in Hong Kong over the past year had been significantly higher than it expected when it bought the building. The purchase was

ing syndicate led by the Capital Corporation at a spread over the higher of the local prime or three month interbank rate. As a result, for the past six months Land has been paying around 16 per cent for

At the time of the acquisition of Gammon House, gross incame from the property was only around HK\$43m a year. With interest at 16 per cent, the interest cost on the loan alone is HK\$96m. Although rents are rising as leases come up for renewal, the Gammon House acquisition proved a major drain on Land's profits.

For the six months ending June 1979, Land's profit rose by for Gammon House looks cheap

The sale will give Land a largely financed by a HK\$600m only 8.9 per cent to HK\$147m, applied gain of HK\$185m, seven-year loan from a bank- a negligible increase compared with most Hong Kong property Citicorp subsidiary Asia Pacific companies, which have been reaping the benefits of vast de velopment profits and steedy increases in reptal income.

The sale of Gammon House will give further strength and flexibility to the Jardine Hoas Kong Land group in warding off any raids from local Chinese interests. It is clear that the battle for Hong Kong and Kon loon Wharf Company, which is pitting Land and Jardines against the snipping magnate Sir Y. K. Pao, is still going on in the market-place.

Wharf shares moved up sharply again yesterday to over \$80 a share in an otherwise weak market. They now have a dividend yield of 1.4 per cent By that standard, the price paid

#### Second buver ioins battle BY L DANIEL IN TEL AVIY for Entrad

By James Forth in Sydney

BATTLE for shares in the Melbourne businessman who has been buying in the market since Monday, and who has agreed to stand in the mark etfor 20 trading days and take all shares offered, has been out-bid by an unidentified rival. Mr. Goldberg is offering 98 cents a share, but the rival hidder stepped in at ASI and has pushed the price up to A\$1.05.

. The emergence of a comie intriguing, hoggie Mr. Goldberg controlled 53 ner cent of Entrad before he statred his market operation, and had built his holding to about 73 per before encountering apposition. But the rival buver yesterday purchased 1.3m shres which accounted for all but 200 of the total traded, and now holds just over 6 per cent of Entrad's capital.

The latest development adds to the controversy which has surrounded Entrad since Mr. Goldberg acquired his initial stake last October by buying the Union Bank of Switzerland's 41 per cent shareholding.

Yesterday, in response to pressure from the Sydney exchange, the Entrad Board released a statement to shareholders giv ing them more information about the deal. The exchange was particularly coocerned that sbareholders should receive more information about Mr. Goldberg's plan to sell the textile group Cleckheaton to Eotrad: but Australian Interthe merchant bank retained to value that company, has not yet

completed its report.

The Entrad statement that since the balance date. several of Eutrad's assets had ben sold for prices above book value, which bad increased the asset backing from A\$1.22 a share to A\$1.38. Negotiations were under way to sell a motel. which would further increase asset backing to more than A\$1.40.

The directors said that Eotrad was also prepared to consider offers for another major asset, a Melbourne shopping centre valued in the boks at A\$138m (US\$ 34.5m).

They also pointed out that "certain directors" had disposed nf some of their shares on the market, and that the shares beld by the company's superanuation funds had also been sold on the

Observers suggest that the rival bidder may be seeking a strategic stake to gain a strong bargaining position with Mr.

# Bank Leumi cuts prime rate 5%

BANK LEUMI Le-Israel, the country's largest and oldest bank has decided to reduce its prime rate of interest by 5 per diversified textile and real cent in 75 per cent per annum.
estate group Entrad has The decision follows a sharp developed on the Sydney share decline in demand for credit market. Mr. Abraham Goldberg, due to the high rate of interest which still lags behind the rate of inflatinn—over 110 per cent in 1979 as well as to the decline in economic activity observed since mid-November, when Mr.

The Minister is determined to reduce Israel's rampant inflation by a cutback of 4 to 5 per cent in real terms in the budget, Since two-thirds of the budget cannot be reduced (one-third is earmarked for debt service and retirement, and another third for defence), the cutback in all

Yigael Hurvitz, the new Finance amount to 15 per cent, which is Minister, took over the bound to create manufacture. bound to create unemployment, if the Minister's draft budget is accepted, by his colleagues.

At present, Mr. Huryitz is facing stiff opposition from the Ministry of Housing and ministers in charge of social welfare. The final decision will depend on whom Premier Begin will back when the matter comes before the full Cabinet after his other spheres will in fact return from Aswan.

This announcement appears as a matter of record only

#### US \$ 24000,000

Rossing Rate Loan Facility

BANCO NACIONAL ULTRAMARINO

BANQUE BELGE LIMITED/SOCIÉTE GENERALE DE BANQUE S.A. BANQUE EUROPEENNE DE CREDIT (BEC) BARCLAYS BANK INTERNATIONAL LIMITED AMSTERDAM

BANQUE EUROPEENNE DE CREDIT (BEC)

AMSTERDAM-ROTTERDAM BANK MLV.

CANADIAN IMPERIAL BANK OF COMMERCE

MIDLAND BANK TRUST CORPORATION

UBAF BANK LIMITED HANCO PINTO E SOTTO MAYOR.

**BANQUE BELGE LIMITED** 

BARCLAYS BANK INTERNATIONAL LIMITED, AMSTERDAM

BANCO TOTTA & AÇORES, LONDON BRANCH

BANQUE BELGE (FRANCE) &A

BANQUE BELGE LIMITED





CREDIT COMMERCIAL DE FRANCE U.S. \$30,000,000 Floating Rate Notes 1976-1983

For the six months 11th January, 1980 to 11th July, 1980 the Notes will carry an

interest rate of 14 1/2% per annum. Listed nn the Luxembourg Stock Exchange. By: Margan Guaranty Trust Campany of New York, London U.S. \$35,000,000

Texas International Airlines Capital N.V. **Guaranteed Floating Rate Notes Due 1986** 



#### Texas International Airlines, Inc.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period from 11th January, 1980 to 10th April, 1980 has been fixed at 15% per annum.

On 11th April, 1980, interest of U.S. \$383.91 per Note will be due against coupon No. 4.



J. Henry Schroder Wagg & Co. Limited Reference Agent

#### THE PHILIPPINE INVESTMENT COMPANY

Net Asset Value as of December 31, 1979

U.S.\$12.61

Banqua Générale du Luxei Manile Pacific Securities, SA

#### Brasilvest S.A.

Net asset value as of 28th December, 1979 per Cr\$ Share: Cr\$52.837 per Depositary Share: U.S.\$11,463.99 per Depositary Share (Second Series): U.S.\$10,765.39

per Depositary Share (Third Series): U.S.\$9,161.48 per Depositary Share (Fourth Series): U.S.\$8,558.77



BANQUE DE L'INDOCHINE ET DE SUEZ US\$40,000,000 Floating Rate Notes 1979-1989

Por the six months 10th January 1980 to 10th July 1980 the Notes will carry an interest rate of 1411/6% per am Coupon Amount of US\$74.25 By: Bankers Trust Con

# Dollar improves

THE DOLLAR was slightly Outside the EMS the dellar rose firmer, while sterling lost ground to FFr 4.0160 from FFr 4.0110 in the foreign exchange market and the Swiss franc to FFr 2.5490 yesterday. Intervention by yesterday. Intervention by from FFr 2.5460, but sterling fe central banks probably helped to FFr 9.0870 from FFr 9.0890. push no the U.S. currency since underlying market sentiment remained soft. It rose to DM 1.7165 from DM 1.7115 against the Deutsche Mark, to SwFr 1.5790 from SwFr 1.5730 in terms of the Swiss franc, and to Y225.70 from Y234.80 against the

Sterling's index, as calculated by the Bank of England, fell to 70.9 from 71.1, after standing at 70.9 at noon and 71.1 in the marning, to the standard a high

standard the

rate 5

AT C'VAL LIMITS,

これにしておける「日本日本

s Capital N.V.

åjrlines, M

gs s co. Limbs

51÷≤ Due 13\$å

STANDERANG

fall of 70 points on the day.

D-MARK—Very strong, and showing a tendency to rise within the European Monetary System recently, but slightly easier this week. The D-mark recorded mixed changes at the Frankfurt fixing, rising slightly against taseful but losing ground to the dollar and Swiss franc. The Bundesbank did not intervene at the fixing. In terms of its EMS partners the German currency improved against two of the weaker currencies, the Belgian franc and Danish krone, but eased slightly against the Irigh punt. On the other hand the Duhlin the punt rose to 95.25p D-mark was unchanged against to the punt rose to 95.25p from 95.15p against sterling, but

BELGIAN FRANC—Generally

weakest member of EMS, but resists devaluation—The franc lost ground against the dellar, sterling and Swiss franc, while showing mixed changes against EMS entrencies at the Brussels Y235.70 from Y234.80 against the fixing. The D-mark, Dutch fixing and Irish punt were England figures, the dollar's firmer, but the French franc, trade-weighted index rose to 84.3 Danish krone, and Ilra declined against the Belgian currency.

merning.

The pound touched a high point of \$2.2655-2.2665 in early trading, but a large selling order before noun pushed it down to \$2.2590-2.2600. Sterling continued in decline to a low point of \$2.2550-2.2560, but it recovered on some buying Interest from New York to close at \$2.2590-2.2600, a fall of 70 points on the day.

DMARK—Very strong, and show.

March—The krone weakened against all EMS currencies except the French frame at the Copenhagen. fixing following comments by the head of the Danish National Bank that his country was on the edge of an economic abyss. The deliar, Swedish kronn and Japanese ven were unchanged among non-EMS currencies, while sterling improved.

D-mark was unchanged against from 95.15p against sterling, but the lira and declined against the French franc and Dutch guilder. from 92.1570 in terms of the dollar.

FRENCH FRANC — Strongest

FRENCH FRANC — Strongest

SWISS FRANG — Very firm

generally, kept in line with D
mark. The franc showed a firm

trend against other major curren
cies, including the dollar, ster
ling, Japanese yen and D-mark.

-				
THE	POUND	SPOT	AND	FORWARD

Jan. 70	Spread	Close	One month	p.a.	Three months	P.3.
U.5.	2.2550-2.2665	2.2590-2.2500	0.53-0.43c-pm	255	1.25-1.15 pm	2.12
Conadu	2,6250-2,6450	2.6340-2.6350	0.65-0.56c.pm	2.73	1.70-1.63 am	2.50
Nothind.	4.25-4.307	4.28-4.23	24-14c pm	4.55	51, 41, pm	4.55
Belgium	62.75-83.20	63 05-63.15	14-40 pm	1.71	33-23 pm	1.77
Denmark	12.07-12.145	12.093-12.103	14ora pm-1, die	6.74	Jan dis	-1.18
l relend	1.0480-1.0540	1.0485-1.0495	0.03-0.13p dia		0.20-0.30dis	-0.95
W. Gor.	3.88-3.891	3.871 - 3.885	31 - 21 pl pm		84.74 pm	7.86
Portugal	117.40-112.60	111.80-112.00	5-55¢ d s			-3.22
Spein	148,75-149,60	149.10-149.20	25-75c dis		85-185 dts	-3.62
lialy	1,806-1,615	1.872-1.813	42-61, Hra dia			-3.81
Norway	11.08-11.14	11.09-11.15	5-4ore pm		14-12 pm	4.69
Franco	9.06-5.15	9.083-2.094	34-24 pm	4.29	612-512 pm	2.64
Sweden	9.32-9.36	9.34-5.35	31-11-ore pm	3.27	9-7 pm	3,42
Japan	528-536	532-533	4.20-3.90y pm		10.75-15,45pg	
Austria	27.75-27.87	27.85-27.80	22-12gra om		58-48 pm	7.60
Switz.	3.55-3.5812	3.55 - 3.57 -	4-3c pm		10-9 pm	10,64

Belgien rate is for convertible francs. Financial franc 54.90-85.00. Six-month forward dollar 2.12-2.02c pm, 12-month 4.10-4.00c pm,

#### THE DOLLAR SPOT AND FORWARD

Jan. 10 .	Spread	Close	One month	% p.s.	Three menths	% p.a.
UXT	2.2660-2.2665	2.2590-2.2600	5,63-0.43c pm	2.55	1.25-1.15 pm	2.12
Irelendt	2,1520-2,1545	2.1530-2.1540	0,60-8.65c pm	3.20	1,55-1,45 pm	2.79
Caneda	1.1642-1.1573	1.1642-1.1645	0.04c pm-pur		0.17-6.13 pm	
Mathind.	1.8917-1.8947	1.8937-1.8947	6 40-0.33c pm		1.23-1.13 pm	
2alcium *	27.857-27.93	27.91-27.93	6.5c pm-1 dia		par-2 dis	-6.14
Ochmark.	5,3525-5,3580	6.3935-5.3650	6.35-0.85om dia		4.6-4.5 dia	-3.77
W. Ger.	1.7130-1.7180	1 7160-1.7170	6.52-0.82af pm		2.52-2.42 pm	
Portifual	49.50-49.65	49,65-45.65	15-250 dia		45-75 drs	-4.84
Spain	86.02-66.09	88.02-66.04	20-35c dis	-5.00	70-95 dis	-5.00
Italy	801.25-802.30	801.85-802.15	4-6 Hra dia		12-131, dia	-9.36
Nonyay .	4.5070-4.9116	4.9070-4.9080	1.4-6.90ere pm		3,85-3,35 pm	
France	4.0125-4.0190	4.0175-4.0190	0.55-0.45c pm		0.70-0.55 pm	
Sweden	4, 1335-4, 1365	4.1356-4.1365	5 60-0.40ore pm	1.45	1.70-1.50 pm	1.55
Japan	234.80-235.90	235.65-235.75	1.35-1.20y pm		3.55-3,40 pm	
Austria	12.311,-12.331	12.324-12.334	6,0-4.5gm pm		18.0-16.6 pm	
Switz.	1.5750-1.5805	1,5785-1.5785	1,25-1,18a pm		3.45-3.38 pm	
t UK and	Iraland are go	uoted in U.S. o	turrency. Farward	premi	umu and disc	Counta

CURR	ENC	Y RAT	TES	CURRENCY	MOVE	MENTS
Jan. 9	Bank rate	Special Orawing Rights	Eurapean Currency Unit	Jan. 10	England	Morgan Guaranty changes %
Starling	12 14 101 101 2 91 91 16	0,585868 1,32405 1,54728 12,5044 96,8748 7,09029 2,26770 9,50709 6,51576 1060,56 512,476 6,61952	1.45124 1.59592 17.8958 40.9989 7.76588 2.48565 2.74725 6.82237 1162.44 245.490 7.19720	Sterling U.S. dellar Canadian deller Austrian echilling Beiglan franc Danish kroner Deutsche mark Swiss franc O tillder Franch franc	158.9 116.5 109.6 158.7 204.7 196.4 102.7 65.0	-35.3 -8.8 -16.9 +94.2 +13.9 -2.4 +46.0 +85.2 +26.6 -5.8 -49.0 +18.5
Sponish Pts. 2wedish Kr	9	87,5979 6,48090	86,8254 6,99561 8,28715	Based on trade we Washington agreen	ighted chi	mber, 1971

#### OTHER MARKETS

Jan. 10	£	8		Note Retas
Argentina Peso Austrelia Dollar Brazil Cruzeiro Finland Markka	9875-3685 9.0290-3.5510 98,95-92,35 3,52-8.55	0.8990-0.8995 48,50-48,95	Austria Belgium Denmark	97.66-27.90 64.70-65.20 12.06-12.19 9.04-9.15
Breek Orachma Hong Kong Dollar Iran Rial	85.968-88.009 11.084-11.114 nia	57.80-38.00 4,9130-4,9130	France	5.861 <sub>2</sub> -3.89 1835-1895 631-536
KuwaitDinar (KD) Luxembourg Fro. Malaysia Dollar New Zealand Dir.	63.05-55.15 4.9190-4.8950	27.21.87.95 2.1765 2.1775	Notherlands Norway Portugal Spain	4.2812.4.29 11.08-11.15 110-11212 14854-155
Saodi Arab. Riyal, Singepore Dollar. Sth. African Rand	7.56.7.66 4.8680-4.8800	5,5505-3,8915 2,1676-8,1680	Switzerland United States	9.541 <sub>2</sub> -3.57 2.255-2.263 48-501 <sub>2</sub>

#### EXCHANGE CROSS RATES

rates

Beigien Franc ... 38.7897

5anish Krane ... 7.72336

Cermen 6-Mark ... 48200

5utch Cuilder ... 5.84700

5utch Cuilder ... 2.74362

Irish Punt ... 5.868201

Jielian Lie ... 1157.79

<del></del>				· · · · · · · · · · · · · · · · · · ·						
Jan. 8	PoundSterling	U.S. Dollar.	Deutschem	Japan'se Yen	French France	Swiss France	Detch Oulid'r	Italian Ura	Canada Dolla	ridelgian Fran
Pound Sterling U.S. Dollar	0.445	2.260	5.880 1.717	592.e 235,7	2.090 . 4.023	6,575 1,580	4,985 : 1,896	1819. 802,2	8,686 1,166	. 65.10 27.95
Deutschemark Japanese Yen 1,000	0.258 1.878	0,582 4,243	7,286	137.9 1000.	2.543 17.07	0,985 6,704	1,104 8.047	467.1 5454.	0,679	16.28 118,5
French Franc 10 Swiss Franc	1,100 0,280	8.48e .0,636	4.268 1.087	. 585.8 . 149.9	. 10, 2,546	5.927 1.	4.714 1.255 ·	1294. 507.7	2,298 5.788	69,42 17,68
Dutch Culider Italian Lira 1,000	0.238 0.558	0.597 1,847	5.905 2.141	124.8 295.8	3,191 5.515	· 0.833 1,876	1. 2,354	423.5 · 1000.	5,615 1,454	14.75 64.81
Canadian Dollar Belgian France 100	0,580 1,585	5.858 5.581	1.475 6.148	- 202,1' 643,9	5,450 . 14,41	1.666 8.658	1,628	688.D ·	4,175	25.95 100.

EURO-CURRENCY INTEREST RATES

The following nominal takes were quoted for London deller ceruficares of deposit; one month 13,90-14,00 per cent; three months 13,95-14,00 per cent; three months 14,95-14,00 per cent; three months 14,95-14,00 per cent; three m

EMS EUROPEAN CURRENCY UNIT RATES

7.75903 2.48492 6.82253 2.74399 0.672983 1161.68

Changes are for ECU, therefore positive change denotes a week surrency. Adjustment calculated by Financial Times.

monura rotor-in-	o par control	* joui, 12-73-12	at per centi	•						
Jan. 10	Sterling ·	U.S. Dollar	Canadian Dollar	Dutch Dulider	Swiss Franc	West Cerman Mark	Franch Franc	Italian Lira	Asian \$	Japanese Yen
fshort term	1612-1834 1614-1618	1575 1416 1575 1418 14.1414 14.1414 14.1414 14.1414 12.6.1676	1212-1212 1212-1514 1212-1574 1352-14 1512-1515 1212-1213	161 <sub>2</sub> -103 <sub>4</sub> 103 <sub>4</sub> -11 121 <sub>4</sub> -121 <sub>2</sub> 113 <sub>4</sub> -19 111 <sub>3</sub> -111 <sub>4</sub> 167 <sub>8</sub> -111 <sub>8</sub>	5g-7g 15g-17g 414-412 6 4g-61g 5-7g-513 	814 814 814 814 814 816 814 816 814 816 816 816	115q-12 113q-12 123q-195g 135g-155g 195g-197q 191g-193q	13-164 184-99 1914-2114 1913-9614 19-26 1813-1814	14.141m 141g-1414 143g-1414 141g-1414 1516-1318	5 & 859 6 & 712 7 & 875 8 & 856 8 & 856 8 & 816

INTERNATIONAL MONEY MARKET

# Belgian rates steady Continued decline

The Belgian euthorities yesterday gave further indications of their firm resolve to resist any devaluation of the Belgian france within the European Monetary System, and suggested that European Interest rates were unlikely to escalgte any further, as was the case in 1979, when most major nations were caught in an upward spiral of rates in general.

The Belgian euthorities yesterday and 12-month rates were unchanged at 12-fe-12-ft and 12-12-12 to the London bullion market yesterday, falling S94 to close at 1890-603. Trading was fairly quiet, with the metal opening at 105-11 per cent against 114-124 per cent against 114-124 per cent and one-month money at 105-11 per cent against 114-124 per cent from 124-125 per cent from 124-125 per cent from 124-124 per cent from 124-125 per cent from 124-124 per cent from 124-125 per cent f major nations were caught in an upward spiral of rates in general. However, the Belgian franc remains weak within the EMS, and has not been helped hy and has not been neighbor by recent political uncertainty in Belgium. But the Belgian National Bank has at its disposal a number of ways of maintaining the franc within its permitted limit, including sizeahle gold

reserves.

FRANKFURT — Call money fell back from Wednesday's level of 9.00-9.20 per cent to 8.70-8.90 per cent yesterday, while longer term rates were slightly firmer where changed. One-month money rose to 8.80-8.90 per cent from 8.75-8.85 per cent but three and six-month rands were unchanged at 8.90-9.00 per cent and 8.70-8.90 per cent and 8.70-8.90 per cent respectively. The 12-month rate was firmer at The 12-month rate was firmer at 8.50-8.60 per cent against 8.40-8.50

per cent previously. · · · PARIS—Call money remained at 11; per cent and period rates showed little overall change. One-month maney was quoted

at 12 % 12 % per cent, unchanged from Wednesday, while the three-month rate moved fractionally firmer to 12 % 12 % per cent from 12 % 12 % per cent from 12 % 12 % per cent. Six-

MONEY RATES

NEW YORK

per cent respectively.

AMSTERDAM — Interbank money rates were easier throughout, with call money at 101-11 per cent against 111-121 per cent and one-month money at 121-121 per cent from 131-122 per cent. The three-mouth rate fell to 121-121 per cent while six-month money remained at 12-121 per cent.

HONG KONG-Conditions in the money market remained reasonably comfortable throughout the day, with call money at 131 per cent and overnight business siso dealt at 131 per

**UK MONEY MARKET** 

i   J	enuary 10	Je	INUUTY 8
	old Bullion (fine e	unce)	•
Olose \$\ \text{\$\frac{1}{2}598.60\color \\ \text{\$\frac{1}{2}602.607} \\ \text{Morring fixing \$\frac{1}{2}608.25} \\ \text{\$\text{\$\frac{1}{2}}608.25} \\ \text{\$\frac{1}{2}608.25} \\ \$	(£2544, 97714) (£256-2681s) (£258, 484) (£256, 783)	5505-616 \$500-616 \$592.25 \$507.26	(£266 lg.271 lg) (£266 g71) (£265,997) (£267,725)
	Gold Coins		
Krugerrand	12372-275) [1272-275) [1258-14-5914] 127619-7819) (17619-7819) (SPr213-223)	\$624.630 \$525.629 \$155.158 \$172.176 \$179.76 FF-626.556 6755.765 \$596.606 \$703.718 \$385.405	(£2741, £7714) (£274, £77) (£524, £614) (£754, 7714) (£7514, 7714) (£752, £714)

Treasury hills all direct from the discount bouses. The latter were paying 15:-15t per cent for secured call loans at the start, with later balances commanding np to 17 per cent. The market was a small decrease in the note circulation.

Bank of England Minimum

Lending Rate 17 per cent (sinee November 15, 1979)

Day-to-day credit was in short supply in the London mensy market yesterday, and the authorities gave assistance by buying a small amount of drained in respect of the tap drained in respect of the tap nominal in some cases.

LONDON MONEY RATES

POHPOH										
Jan 10 /1980	Sterling Certificate of deposit		Local Authority deposits	Local Auth- negotiable bonds	Finance House Deposits	Com pany	Discount market deposits	Treasury	Eligibis Bank Bills #	Fine Trade Bills +
Overnight 2 days notice 7 days or 7 days notice	Ξ	15-20 16-164	161 <sub>7</sub> -164 <sub>1</sub>	_	17	154 151 <sub>2</sub> .171a	164-17  151-151- 154-153-	1		- 1 1
One month Twomonths Three months. Six months,	164 164 184 164	165g-163g 1616-1613 163g-1678 181g-1614	1578 1578-1618 1514-1612	17%-27% 17% 17% 17 16% 15 16%	17 17 17 16te		164-163 184	15/6.	17.17 <u>2</u> 16 <u>4</u> 16 <u>4</u> 16 <u>2</u> 16 <u>3</u>	1715 17 1614 1615
Nine months One year	15-147g	154-161 <sub>2</sub> . 15 151 <sub>2</sub>		16-15te 15te-151e	15% 15¾	= :	<u>-</u>	=	-	=

Local authorities and financial houses seven days' notice others seven days fixed. \*Long-term local authority mortgage rates negatively three years 157-157, per cent; four years 157-157, per cent; five years 157-157, per cent. \*Bank bill rates in table are boying rates for prime paper. Buying rates ler four-menth benk bills 157, per cent; four-menth 157, per cent; four-menth 157, per cent; for enermenth 157, per cent; four-menth 157, per cent; four-menth 158, per cent; two-menth 159, per cent; four-menth 158, per cent; four-menth 159, per cent; four-menth 158, per cent; four-menth 159, per cent; four-m

# WORLD VALUE OF THE DOLLAR Bank of America NT & SA, Economics Department, London

The Table below gives the rates of exchange for the U.S. deller egainst various currencies as of Wednesday. January 2 The Exchange rates listed are communical middle rates between buying currences are quoted between table, unless otherwise indicated. All currencies are quoted in foreign currency, units per one U.S. dellar except in certain specified cases. All rates

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Affiganistan	Afghani (O)	44.00 4.4618	Greenland	Danish Krone	5,8443	Papus N. Guines	Kine	0,792
Albania	Dinar	3,8325	Dreneda	Local Franc	2,7025 4,0115	Paraguay	Guarani	137.30
Andorra	French Frago	4.5115	Cuam	U.S. S	1.00	of Yemen	e Vamos blass	0.7415
ANGOTT-MINISTERNA	Spanish Peseta	65,036	Guatemala	Queizai .	1.00	Peru-	Sol	0,3415 960,78
Angele	Kumnen	27.627	Guinea Biasau	Peso	55,2187	Phillocines	Ph. Pago	7.40
Antiqua	E. Caribbean 6	2,7025 2624,50	Guinea Republic	Byll .	18,6367	Philippines Pitcairn Islands	NZ.8	1.5122
Argentines	Argentine, rese	0,9013	Cuyana		2,5421	Poland	Zioty (O)	31,00
Austria	Schüling	12,5175	Haiti	Courde	5.00	Portugal	Port. Escudo	49, 60
Azores	Portug, Escudo	49.60	Honduras Repub	Lempira	8,00	Port Timor	Timor Escude	n.a.
Bahamas		1,00	Hong Kong		4,295	Puerto Rico	Ontor Prod	1.00
Bahrain	niner	0.5778	Hungary	Forint 10	34,00	Reunion, le de la	French France	4.6116
Balearic Isles	Spanish Peseta	66,035	iceland	L Krone .	568,4D	Rhodesia	Rhd S	0,6985
Bangladceh	Taka :	15,525	India	Ind. Rupeo :	7,8774	Romanie	Leu	4.47
Barbados	Babados \$	2,01	Indonesiu	Rupiah	625,00	Rwanda	Ruanda Franc.	99.84
Belgium	B. Franc (C)	27.8275	Iran		71.50	1		
Beilize	B. Franc (F)	98.73 2.00	Iraq	Iraq Diner	0.9855 2.1562	)		
Senin	G.F.A. Franc	200,575	Irish Republic	Israeli Pound	51,455	St. Christopher	E. Caribbean S	2,7085
Bermuda	Bda #	1.00	Italy	Line	800.275	St Melena	Charling (*)	2,269
Rhistan	Indian Rymes	7.2774	Italy Ivory Coast	C.F.A. Franc	200,575	St. Lucia St. Pierre St. Vincent	E. Carlbbean S	2,7025
Boilviz	Bolivian Peso	94.26 0.8242	Jamaica		1.7836	St. Pierre	C. F.A. Franc	900.575
5008W2118	PUIS	43.79	Japan		254.85	Samos Assessed	L. Garidosan S	2,7625
Brazil	D.S. 0	1,00	Jordan	Jordan Bloar	0.2936	Samoe American San Marino		1.00 800,275
Brunel	Srunel 5	9,149				Soudi Arabia	Saudi Rival	5,5525
Bulgaria	Lev	0,279	Kampuchea	Riel	0.a. 7.993	Senegel	C. F. A. Franc	200.675
Burma	Kyal .	6,7271	Korea (Nth)	Won	0.94	Seychelles	S. Rupee.	5,8748
		95,00	Kores (Sth)	Won	484.00	Sierra Leone Singapora	Leone.	6,8814
Cameroue Repub'c	C.F.A. Franc	200,575	Korea (Sth)	Kuwait Binar	0.2716	Solomon Islands	ongapora p.	2,142 0,9015
Canada	Canadian 6	1,1581				Somali Republic	Som. Shilling	6.0241
Canary Heade lele	Cana V Feereda	66,035 35,51	Lao P'pis 0. Rep	KIP OT LID.	400.00 5,26	South Africa	Rand	6,8258
Cayman Islands	Cav. Is. 6	0.835	Lesotho	Rand	0.8256			
Canary Islands Cape Verde Isla Cayman Islands Cant. Af. Emp	C.F.A. Franc	200.575	Liberia	Liberian 8	1.00	1		
Chad	C.F.A. Franc	200,575	Libya	Libyan Olnar	0.2961	8pain	Peseta.	65,036
Chile	Chilean Peso (O)	62,00	Liechtunstein	Swiss Franc	1,6742	Spanish ports in		
China	Cod Core (D)	1,5458 45,38	Lixembourg	LIX Franc	27,8976	North Africa	Sp. Pesetil.	85,036 16,67
Colombia	C.F.A. Franc	200,575	Macan	Pataca	6.31	Spanish ports in North Africa Sri Lanka Sudan Republic	Pound it	0.80
Congo (Braz'aville)	C.F.A. Franc	200,675	Macao	MG Franc	200.275			0.50
Costa Rica	Colon	2.57	Madeira	Portugese Escudo Kwacha	49.50	Surinam	S. Cullder	1,80
Cubs	Cuben Peso	0.7255	Malawi	Kwacha :	0,8037	Surinam. 2waziland 2weden	Rand	0.8256
Czechoskovskia	Cyprus round .	0.3434 5.25	Malaysia Maldive Islands	Mal Purse	2,186 5,96	aweden	S. Krona.	4.133 1.5749
CZOCIOZKYZNIZE	West first (D)	J-20	Mail Republic	Mail Franc	401.15	Switzerland		5,2262
0 0 C T			Malta	Maltese Pound	0.5572	Taiwen	New Taiwan \$ 101.	56,60
de principa	R Tome Dohro	84.1624	Maita	Local Franc	4,6116	Tenzania	Tan. Shilling.	8,2893
Denmark	Danish Krane	5,3443	Mauritenia	Onen(ya	40,116	Thalland	Baht.	20,66
Denmark	Dibout Franc	165,971	Mauritius	M. KUPES	7,5487 28,84	Taiwen	C.r.A. Franc	200,576 0,9 <b>5</b> 15
Dominica I	E. Caribbean S	9,7025	Maxico	C.F.A. France	200.575	Trinidad	Trin & Toh \$	2,4068
Dominican Repub.	Domin'en Peso	1.00 27,30	Monaco	French Franc	4,6115	Tunisla	Tunisian Oinar	0.9281
Egypt	Pound ISI	0.67	Monaco	Tugrik (II)	5,5556	Turkay Turks & Caicos	Lira.	47,10
El Salvador (	Colon ·	2,50	Montserrat	E. Caribbean 8	9,7025	Turks & Caicos	u.s. 8	1,00
Equatorial Cuines:	Ip. Pesata	66,035	Morocco	Dirnam	5,8702 55,5481	Tuvalu	Australian 5	0,9515
Ethiopia	Bitt IDI	2,0866	Mozambiquu					
Faeroe Islande 1	Danish Krone	5,3443	Namible	Rand	0.8256		U- A-111-	
Feeroe islands I Feikland islands !	Falkland ts. 2 (*)	2.269	Neuru Is.	Nonelogo Dunos	6,2519 12,00	Uganda	ug. Shijing	7,229 5,745
Fiji Islanda	FLU 9	0.8308	Netherlands	Outch Cuilder	1,8959	Uganda United Arab Emir United Kingdom	£ Starling	2,2 <b>6</b> 9
Finland	Markka	9,682	Metherlandantilicu	Antilian Guild	1.80	LODGE VOIDS	G.F.A. FIRNC	200.576
France	TANEN FIRMS	4.611e 200.675	New Nebrides	Aust 6	0.2019	Uniquay U.S.S.R.	Urug. Peso	8.45
French Guiane L	ocal Franc	4.6115		FNN	64,8271	U.S.S.R	Rouble	0.654
French Paolife Iu (	C.F.P. France i	74.416	New Zealand	NZ 5	1,5122 16,00	Vatioan	talian Lifa	800.275
Gahon (	C.F.A. France	200,676	Nicar Resublic	C.F.A. France	200,676	Venezuela	Done (D)	4.2957 2.18
Gambia	lesisc	1,7629	Nicaragua Nicar Republic Nicaria Norway	Naira (D)	0.5805	Vietnam N.,	U.S. 8	1.00
Garmany (East) (II)	merk	1,7117	Norway	Norwg, Krane	4.0105	Western Samos	Samoan Tala	0.2268
Shane.	Adi	2.75	Dman' Sultanate of	Pial Timani	6,3456	Yemen	Rial	4.57
Gibraltar P	bund &	2,269			-	YUDOSIAVIO	New Y. Diner	18,3686
Gilbert Ja A	WSZ. 5	6,9015	Pakistan	Picst. Rupeu	9.91 1.00	Zaira Republic, Zambia	Znire Znire	2.0159 6.77 <b>6</b> 5
	3rachma	87.90	residents	main/a	1.187	LARINDIA	5 WOLCOS	D. //DD

\* U.S. dollars per National Currency unit. (51 Official late. (C) Commercial rate, (F) Financial rate, seenlist exports and imports. (2) Sudan—Efficial rate for all transactions except for essential expert (3) Egypt—A different rate applies to certain transactions with non-IMF countries.

#### The International Monetary Market

is pleased to announce the opening of its European Office at 27 Throgmorton Street, London EC2N 2AN Telephone: 01-920 0722

Managing Director: Mr. Keith Woodbridge Executive Director: Miss Kimberly Albright



INTERNATIONAL MONETARY MARKET®

Division of Chicago Mercantile Exchange

E	UROP	EA	N OF	TIO	NS E			GE
6e	ries	Vol.	en. Lest	Vol.	Last	VoL	Last	Stock
ABN CCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCC	F.390 F.32.50 F.25.50 F.27.50 F.30 F.20 F.20 F.440 \$20 \$20 F.20 F.88.50 F.32.50 F.32.50 F.32.50	7	0.90 	24	6.20 1.50 5.76 0.20 5.50 45 <sub>8</sub> 11 <sub>9</sub>	· 16 - 5 - 10 9 -	9.80 8.10 1 9.60 56 4.80 2.90	F.309 F.34.20 F.823.16 F.481 5244 F.28,40
KLM C C KLM P KLM C C C C C C C C C C C C C C C C C C C	F.76 F.80 F.96 F.75 F.80 F.115 F.125 F.14400 Fr.5000 Fr.5000	52 8	9.66 6.50 1,50 1190 580 170	1	4,95 1,80 4 	5 5 7 1 100 7 9	5.90 1.50 5.70 15 - 6.50	F.120.70 Fr.5586
PHI C PHI C PHI C PHI P PRD C PSA C RD C RD C RD P RD P RD P	F.20 F.22,60 F.25 F.22,60 F.25 F.300 F.145 F.160 F.160 F.160 F.160 F.145 F.145	21 45 103 -	1.70 	33 	7.90 5.90 1.60	9 19 15	9.15 0.90 5.40 2.55 4.60	F.86.70 \$85% F.265.50 F.148.80
UNI C UNI C XRX C XRX C	F.120: F.185; \$50; \$70;	_ e _	- :	- :	53 <sub>4</sub> :	9 2 10	4,40 1,80	P.117.50 \$65
BA C BA C BA C	\$45; \$50; \$60;	6 -	7	-55	125	-	514	6561g
CM C CM C	850 860 DLUME IN	15	- i	- !		15	6 -	\$691 <sub>2</sub>

BASE LENDI	NG RATES
B.N. Bank 17 % Ilied 1rish Bank 17 % Imre Bank 17 %	Hambres Bank 17 % Hill Samuel \$17 % C. Hoare & Co. 171 % Hoegkeng & Shanghai 17 % Industrial Bk. of Scot. 17 % Knewser Ullmann 17 % Knewsley & Co. Lid. 18 % Londen Mercantile 17 % Lenden Mercantile 17 % Edward Manson & Co. 18 % Midland Bank 17 % Samuel Montagu 17 % Norwich General Trust 17 % Norwich General Trust 17 % Norwich General Trust 17 % Rossminster 17 % Schlesinger Limited 17 % Schlesinger Limited 17 % Schenley Trust Co. Lid. 18 % Shenley Trust Co. Lid. 18 % Trustee Savings Bank 17 % Twentieth Century Bk. 17 % United Bank of Kuwail 17 % Whiliams & Glyn's 17 % Williams & Glyn's 17 %
ncan Lawrie 17 % gil Trust 17 % T. Truel Limited 17 %	Members of the Accepting Houses Committee
rst Nat. Fin. Corp 181% • rst Nat. Secs. Ltd 18 %	7-day deposits 15%, 1-menth deposits 15%.
hert Fraser 18 % tony Gibbs 17 % eybound Guaranty 17 %	7-day deposits on sums of £10,000 and under 15%, up to £25,000 15%, and over £25,000 157%.
indlava Bank	
inness Mshm 17 % 5	Demand daenaita 15%.

MONTREAL

	•	
	CITCO CIT	MARKETS
WARIE	CHR	MAKREID
MOME	510011	

		ر المراجع المر المراجع المراجع المراج				==				
NEW YORK	jan.   jăi	·	i Jan.	Jan.		Jan.	Jan. 8	Stock	Jen. Jan. 2 8	1
Jen. ; Jan.	Stock 2 8	Gt. Att. Pac.	Teal 71g	734	Stock Mesa Petroleum		524	Schlitz Brew. J.	85 <sub>2</sub> 84 <sub>8</sub>	
Stock 9 2	Columbia Pict 3578 531	e GL Basins Pe	t 205g	201 <sub>4</sub> 33	MGM	205e 7314	20% 701 <sub>2</sub>	Schlumberger	9510 2002 2414 2454	
AMF	Combustn. Eng. 684 : 38 Combustn. Equip 101s : 101	Gt.West Final Greyhound	144	204 144	Milton Bradley Minnesota MM	4012	294 <sub>9</sub> 4914	Scott-Feresman Scott-Paper	1856 1758	
ASA 45èe 45èe	Comm. Satellia 4112 41	Guif & Wester	25% M 18%	26½ 18½	Missouri Pec	525g	56 33	Sea Contra	1578 1612	poc
Abbotts Labs 4154   4034 Acme Cleve 28   27 Adebe Oil & Gos.   4552   4254	Compugraphic 42 '41	Gu(f Oil	5514 2514	3414 257g	Modern Merchg.	9 lg !	131 <sub>2</sub> 2 221 <sub>2</sub> .	Seabrd Coast L., Seagram	435 4058 244 24	
Adebe Oil & Gas.   465g   4254 Aethe Life & Gas. 557g   534 Ahmanson (H.F./ 21   217g	Comp. Science 104 199	Halliburton_	87½	206a	Monarch M/T Monaanto	6914	5934 4834	Searle  C D	125g 192c	
Air Prod & Chem 371, 3514 Akzona 127, 125,	Congoleum 55½ . 36: Conn Gan Life, 3716 . 33:	Handleman Hanna Mining	403	111 <sub>2</sub> 323 <sub>4</sub>	Morgan (JP) Motorola	463g	466g 544	Seatrain Las	714 74 3019 223	855
Albany Inti 3154   3156 Alberto-Culv 8   734	Conoco	n Harnischfege	r 141 <sub>2</sub>	3814 16	Munsingwear Murphy (GC)	1878	137g 141g	Sedco	371 55 581 541:	
Albertson's 40 3918 Alcan Aluminium 6254 5058	Cons Edison 2436 243 Cons Foods 27 265	Harris Corp	3658	235g 365g 324	Murphy Oil	86 234	8734 83	Shell Trans 3hs rwin-Wms	2676 2512	ãD
Alco Standard 323s 321s Alleghany Ludm. 321s 327s	Cons Freight		4056	387g	Natco Chem Nat. Airlines	364	34 is 4934	Signode	344 355	sha
Atlied Chemical 49 ( 481 <sub>2</sub> Allied Stores 831 <sub>2</sub>   233 <sub>1</sub> Allis-Chalmers 323 <sub>4</sub>   331 <sub>2</sub>	Consumer Power, 1973   125   Contl Air Lines   95a   97   Contl Corp   97 a   27   Contl Corp   97 a   27	Heiler intl	214	206g 916g	Nat. Can	2818	23 29	Simplicity Patt	318 9:9	mid
Alpha Portd 16 : 13	Conti Ulinois 281s : 09	Herahey	231 <sub>2</sub>	25% 30%	Nat .Dist. Chem. Hat. Gypsum	2816	504 214	Smith Intl	12 12 5 705 695 635 615	1 5
Aicoe	Control Data 5554 56	Hilton Hotels	31	52 3058 4378	Nat. Service Ind.	195e	37 194 804	Smith Kline Sonesta Intl Sony		per
Amax	Cooper Inds 61% 60% Coors Adolph 13% 13%	Hobart Corp.	1658	1378	Nat. Standard Nat. Steel	30	504 503	Southeast Bankg	135 14:2 24 lg 24:4	enc
Am. Arrines 10% 10% Am 5rands 57% 67% Am. Broadcastg. 58% 58	Copeland 204 207 Copperweld 1278 125		4934	1776 50 54	HGR	14 72%	133g 701g	Southern Co	121 <sub>4</sub> 12 533 <sub>4</sub> 53' <sub>4</sub>	
Am. Gan	Corning Glass 55 54 Corroon Black 271g 95 Cox 2roadcost 9 83 64	Honeywell	835g	85	New England EL New Eng. Tel	637s	217g 331 <sub>2</sub>	Sthn N. Eng. Tel.	34% 34% 34% 35% 35 54%	ine
Am. Elset. Pwr 18 <sup>2</sup> ; 18 <sup>6</sup> 3 Am. Express 51 <sup>5</sup> 4 82	Grane 541, 33- Grocker Net 291, 28:	Hoover Univi	161 <sub>8</sub>	18 344	NY State E & G NY Times Newment Mining	9318	134 24 404	Sthn Railway Southland SW Bancshares	28 925 251; 255;	cap
Am. Hoist & Dk 2114   20% Am. Homs Prod. 27% 27%	Crown Cork 2713 273 Crown Zeil 47 45	Household Fi	n 1858	431g 1814 231g	Hiag. Mohawk Nielsen IAC) A	1234	125g 274	Sperry Corp	51/ <sub>5</sub> 50 12/ <sub>9</sub> 18/ <sub>3</sub>	to s
Am. Medical Int. 521 3114 Am. Meters 8 73:	Gummins Eng 313; 511 Curtiss-Wright 213; 1021 Damen 378 31	Housten Nt G	as 414	391 <sub>2</sub> 247 <sub>5</sub>	NL Industries	8214 j	54 L4 32 T6	Square D Squibb Std Brands	2878 7632	to
Am. Nat Resces. 4654 : 4754 Am. Patina 3813 : 5754	Dane	Howard John Hodson Bay N	sn 244 Ing. 23	043g 243g	Norfelk & Westn Hth. Am. Coal Hth. Am. Philips	45 1	27 1234 284	Std 2rds Paint	2434 : 2430	feat
Am. QuasarPet 251a 25 Am. Standard 3554 55	Data Gen			; 51% : 41%	Nthn. Nat. Gas Nthn. State Pwr.	5612 2318	34 231 <sub>8</sub>	Std Oil Californie Std Oil Indiana Std Oil Ohio	7634 7712 8714 B752	gra
Am. Stores 2514 2618 Am. Tel. & Tal 3218 5238	Delta Air	Hunt IPhilip A	184	115a 5834	Northgate Exp Northrop Hwest Airlines	95e 421s 285a	95g 191g 381g	Stanley Wks	203 <sub>8</sub> 201 <sub>4</sub>	S31
Ametek	Centsply Intl 18   181		14	2256 144 234	Hwest Bancorp	93	554 234	Sterling Drug Stevens (JP)		\$58
Ampex	Detroit Edison 127g   123 Diamond Intl 4534   424 Diamond Shamk   5034   501	IHA Corp	4858 1118	475g	Nwestn Mutual Nwestn Steel W.	914 2814	54 5535 5412	Storage Tech	17 173e 671: 677;	\$100
Amstead Inds 4014   5812 Ancher Heckg 15 : 135;	Digiergie		i 634	221 <sub>2</sub> 55 <sub>8</sub>	Herton Simon Occidental Pet	1634 2314	5èe	Sundstrand Superior Oil	454 4512	to
Anheuser-8h 0334 2353 Arcata 2436 2534 Archer Daniels 3112 5258	Oillingham	Imp. Corp. An	ner 25	223 <sub>4</sub> 241 <sub>2</sub>	Ogden Oglivy & Math	21	56ă6 303 <sub>4</sub>	2uper Val. Strs	23 : 23	pro
Armc^ 2814 87	Dome Mines   535g   535   Donnelley (RR)  28   281	B Ingarsoli Rand	385g	507 <u>9</u> 554 70	Ohle Edison Okla. Nat. Gas Olin	224	144 1878 1778	Syntex TRW	3415 : 3415	243
Armstrong Gk 15%   18 Asamere Oil 20% 214 Asarce 40% 42%	Dover Corp		263	263 <sub>4</sub> 671 <sub>8</sub>	Omark	341g : 2	31 <sub>2</sub>	Tampax Tandy Tektronix	3034 : 3012	
Ashlend Oil 40% 41 Assd D Deods 21% 21	Dravo	Int. Flavours	195 <sub>4</sub>	197 <sub>8</sub> 364	Oversess 2hlp Owens-Corning	351g 3 2934 3	61 <sub>2</sub> 105 <sub>4</sub>	Teledyne1	4214 1457g 3914 5212	visi
Atlantic Rich 807g   8134 Auto-Oata Prg 55   3314 Avco	Or. Pepper	Int. Multifood	s; 18	1834 374	PPG Inds	2958 2	101g 187g 181g	Texaco	274 284	Am
Avery InU	Ou Pont	int. Tel & Tel	2378	2558 2654 251 <sub>2</sub>	Pac. Gas & Elect Pac. Lighting	2234 2	216	Texas Comm. Bk: Texas Easterni Texas Gas Trni	6858 6654	rais
Avnet	EMI 278   24	Irving Sank	34 25	3514 2478	Pac. Lumber		558 972	Texas instrmts	94 931 <sub>2</sub> 671 <sub>2</sub> 35	Val
Baker Intl	Eastern Airlines   85 <sub>6</sub>   85 Eastern Gas & F.   22 <sup>5</sup> 4   22 <sup>1</sup> 4	Jeffn-Pilot	2712	291 <sub>2</sub> 271 <sub>6</sub>	Paim Sesch	6	514 518	Texasguif	184 ; 18 411s 425g	(6.2
Bangor Punta 25 2634 Bank America 2718 2712	Eastman Kodak 471g 471	Jehns Manvill	9 2412	291a 2414 521e	Pan Hand Pipe Parker Drilling	364 3	634 1938	Thomas Betts	2818 2754 4019 4034 3518 3254	C
Bank of NY 547; 5412 Bankers Tst. NY., 425; 425; Barry Wright 251; 255;	Echlin Mfg 1612   1814 Eckerd Jack 2252   283	Jehnson & Jns Jehnathn Log	795 <sub>4</sub>	801 <sub>2</sub> 93 <sub>4</sub>	Parker Hanfn Peabody Intl Pennoy JC	235g 2	35a	Tiger Inti	211 <sub>4</sub> 201 <sub>8</sub> 48 45	in v
Bausch & Lomb 3838 3731 Bext Tray Lab 4858 4312	Electronic Data. 2312 26 Elect Memories , 378 4 El Paso	Jostens Joy M19 K Mart	3114	201 <sub>2</sub> 31 237 <sub>6</sub>	Pennewart	51% 3 42% 4	01 <sub>8</sub>	Timken,	3634   351s 32   311g	mor site
Beetrice Foods 2016   2016   Beckman Instr 2918   33	Emerson Elect 339 331	Kaiser Alumin	L 214 i	2056	Peoples Gas	45 lg ; 4	27g		1854   127g	new
Beech Aircraft 543 544 Seker Inds 185 1812 Bell & Hewell 2873 2813	Engelhard MC 30%   314	Kalser Steel	275g !	2819	Perkin-Elmer	4254 4	254 8ès	Trane	2436 2436 1818 1878 17 1678	noon
Bendix	Enserch 276g : 281, Envirotech 1378 : 1319		24	23 21 <sub>2</sub> 14	Prizer	39èe 4	05g	Trans Union Transway	3614   351 <sub>2</sub> 253 <sub>4</sub>   263 <sub>4</sub>	CA
Beth Steel 8414 , 2414	Envirotech	Kellogg	7. 54	1814 2434	PhilaElect Philip Morris	1480 1	21g 41g 31g	Travelers	171g   1754 581g   5758	1_
8ig Three Inds 40 41 8izek & Occker 2234 2234 Block HR 23 2578	Evans Prods 224 22 Ex Cell O	Kennametal Kerr-McGee	48	684	Philips Pet Pilisbury	4818 4 3788 3	8 74	Triton Oll Gas!	2014   20 131 <sub>8</sub>   133 <sub>4</sub> 433 <sub>4</sub>   421 <sub>2</sub>	CA
Blue 2ell 3554 3219 Boeing 5812 5788	Exxon	Kidde Walter Kimberiy-Clk King's Dept. S	4254	3634 4134 111g	Pitney-Bowes	3150 3	258 1 65a	Tyler	16 18 <sup>18</sup> 25 <sub>58</sub> 83	١.
Borden	Federal Co 38 371	Knight Rdr. H	Ws 25	2514 305g	Planning Risch	2414 2	7	UNG Resourses	15% 15% 254 26% 284 282	Abiti
Braniff Intl 258 812 Briggs Stratn 25 2518	Fed. Net. Mort 17 153 Fed. Net. Mort 154 157 Fed. Paper 8rd 283 287	Kraft	4754	2512 4712 758	Polaroid	3258   3	71 <sub>8</sub> 21 <sub>8</sub>	Unilever NV		Agni
Bristel-Myers 5734 · 8719 BP 2934 2934	Fed. Paper 8rd 283, 287, 287, Fed. Resources 27, 9 Fed. Dep. Stores, 281, 281,	Kroger	181g :	1814 1186	Proctor Gamble. Pub. Serv. E & C.	7419 7	276 334 214	Union Carbide	434 424 11 11	Asbe Asbe
Brockway Glass, 145g ; 141g Brown 1812 19 Brown Ferman 2 3712 58	Firestene 8 87	Lanier Sus. Pr	od: 30% .	26		285g . 2	33g 014	Union Pacific	4478 4438 684 69	Basic
Brown Grp 255g 2514 Brown & Sharp. 27 2578	1st Bank Bystem. 55 : 32 1st Charter Fin 1634   157		27	223 <sub>4</sub> 261 <sub>2</sub>	Purex	1558   1 2854   2	85g 81g		19 19 64 6214	Bell C
Browng-Ferris 15% 15% Brunswick 15% 13	1st Chicago 1312   1654 1st City Bank Tex 3886   3954	Levitz Furntr.	3412	2438 3414 2738	Quenex ,	2646 2	81g 534 98e	US Filter	381g 381g 147g 147g	8P C
Bucyrus-Erie 211g   201 <sub>2</sub>   Burlington ind 173g   173g	1st Inti Banc 5878   401 1st Mississippl 2812   29 1st Nat. Seston 5118   514	Liggett Group	d. 2619	247g 383g	RCA	24 2	33 <sub>4</sub> 81 <sub>8</sub>		325 <sub>8</sub> 313 <sub>4</sub> 18 157 <sub>8</sub> 87 <sub>8</sub>	Brine B.C; Cadil
Burlington Mthn. 6713   5612   Burndy 5116   51	Ist Penn	Lincoln Nat	4212	6034 4112	Raiston Purina Ramada inna	114 1	13g 84	U8 Shoe	18   181 <sub>8</sub> 201 <sub>8</sub>   21	Cami
Burroughs 8156 7958 GBI Inds 411a 3934 CBS 5258 5218	Fleetwood Ent 938 838	Lockheed	4078	4958 4534 6719	Rank Org ADR	744 7	319 334	US Surgical	30½ 30¾ 521g 32	Can I
CBS	Fintkote	Lone Star Inda	re. 261g	2678 2634	Redman Inds:		836		22   191 <sub>2</sub> 483 <sub>5</sub>   481 <sub>2</sub> 183 <sub>6</sub>   191 <sub>8</sub>	Can F Can F
Campbell Red L., 2859   2858   Campbell Soup., 3048   304	Foremost McK 931g 255g Foster Wheeler 273g 951g	Louisiana Pag	2458	4634 2414 91 <sub>0</sub>	Reichheld Chem- Reliance Elec	1854 1 714 7	312 112	VF	473, 4658 21 21	Can i
Campbell Tagg 23 23 Canal Randolph 15% 13% Can. Pacific 344 33	Franklin Mint 3734 3318	Lubrizo(	6634	5458 1918	Republic Steel	25   2		Vernitron	503 <sub>1</sub> 311 <sub>2</sub> 105 <sub>8</sub> 10	Cơn P Cơn F
Carrisle Corp 243g 233g 253g 253g	Freeport Minl 5078   62 Fruehauf 2758   274 GAF	MGA	6378	633 <sub>6</sub>	Resch Dottrell	1758 1	778 714 458	Virginia EP	111 <sub>8</sub> 111 <sub>8</sub> 55 523 <sub>8</sub> 50 50	Can S Con 7 Cherc
Carp Tech 6914   2978	OATX 3578   3658	MacMillan	54 če	141 <sub>2</sub> 567 <sub>9</sub>	Resorts Intl A	2978 2	914 878	Wallace Murray 2	231 <sub>2</sub> 255 <sub>8</sub> 541 <sub>2</sub> 343 <sub>8</sub>	Chief
Carter Hawley 1712   1713   Caterpiller 3314   3314   Celanese Corp 4668   4714	GK Technologies 2354 2619 Gemble-Skogme 34 3619	Marathan Oll	38 lg i	3158 3878 4918	Revion	4418 4		Warnaco	1119 1014 1919 4914	Comis
Centex	Geica	Marine Mid	1834	183 <sub>4</sub> 261 <sub>8</sub>	Reynolds (RJ)	17 541 <sub>2</sub>   3 571 <sub>2</sub>   3	4	Wemer Swasey	2012 2058 . 7514 76 2014 2012	Cosei
Contral Soya 1318 1419 Central Tel Util 2534 2534	Gen Cineme 214 5118 Gen Dynamics 5716 59	Marsh McLenn	··· 70	1714 6934 1734	Rich-Merrell	2412 2	112 512	Weste Mangt 4 Weis Mkts	534 4278 536 25	Daon Denis
Cortain-teed 147g   1434 Dessna Aircraft., 247g   233e Shamp Heme Bid 114   114	Gen Electric 54 5456 Gen Exploration. 438 436	Marun Mita	5012	4984 2478	Robins (AH),	9ăe   1	334	Wells Fargo 2 W. Point Peppi 3	1814   2734 1414   3488	Dome
Champ Intl 2314 9278	Gen Foods	Massey-Fergn	1014	9458 1018	Rockwell Intl.	55 3	5 T	Westn. Bancorp. 3	1 101g 1814 3134 1875 381g	Dom 8
Chase Mannhatn 40 40 Chemical HY 574 5756	Gen Motors 3818 5114 Gen Portland 1434 1468	Mattel	8	143 <sub>4</sub> 8 23	Rollins,	271 <sub>2</sub> 9'	77g 55g	Westinghouse 2 Westvaco 3	116 814 1 315	Dom &
Shessi- System 215g 211g Shessi- System 291g 2814	Gen Pub Utilities 9 878 Cen Reinsce 80 90 Gen Signal 371g 373g	Mayer (Oscar)	205	80½ 25¼		39 1 <sub>8</sub>   40	ין י	Wheelebratr F 3	178   3134 ·	Genst Gt-We
Ghicago Prieum 2514 2238 Ghrysler	Gan Telep Elec 2238 2818 Gen Tire 28 2175	McCulloch Oil	0 2572	117g 3554	Royal Dutch	775s 77 284, 29	158	White Donsold 2	9 <sup>1</sup> <sub>2</sub> 18 <sup>3</sup> <sub>4</sub> 9 <sup>1</sup> <sub>4</sub> 12 <sup>1</sup> <sub>4</sub> 4 <sup>1</sup> <sub>4</sub> 24	Gulf C
Cincinnati Mil,   29 %   82	Genesco 4   57s Genuins Parts 3414   237s	McDonald's	19. 411s	4512 424 271	Russell Stvr	1879   18 9150   22	12	White Motor 1	612 67s 9 1958	Hudso
Citicorp 2412 2412 2412 Cities Service 85 8614	Georgia Pac 8639 2534 Geosource 4872 42	McGraw Ediso McGraw-Hill	n. 283g	2714 2838 2718	2PS Tachnolog	286a . 28	78	Wickes	53g: 18 06g 504 71g 277g	do. O
Olerk Equipment 555: 3778	Gerber Prod 244   24 Getty Oli 7812   7812	McLean Truck	2512	15 233	Safeway Stores	341g 34	** (;	Winnebago	214 91 <sub>8</sub> 514 2514	Husky IAC
Horox	Olddings Lewis 2712   2735 Gillette 5312   2554 Global Marine 394   394	Mellon Hati	281g	241 <u>e</u> 28 271 <u>e</u>	St. Paul Cos	1038 40	38 1	Woolworth 2 Wrigley 7	41g 9414 51s 76	Imase Imp O Inco
Coca Cole 353g 56 Coca Btl. HY 57g 61g	Goodrich IBF) 20% 21 Goodyear Tire 134 131s	Memerex	173g	1714 8834	Santa Fe Inds	1956   30 13	lg	Yellow Frt Sys 1	616 378 3 6234 614 1534	inco indai., interp
Colline Alkman 858 8	Gould	Merck Merodith Merrii Lynch	741g	745g 335g	Saul Invest Saxon Inde	77a 7	15 I Z	Zapata 2 Zonith Radie	956 2956 854 854	Kaiser Mac
71-61 1000				-14	Schering Plo	505 <sub>8</sub>   30	[	u.a. (75 4% 1980) 9	978   9978	Marks Masse Meints
					-					Meriar
	ndiaca				Jan.   Jan.	Jan.	Jan. ∤	1979-80		Mount Nat. Se Nerane
	ndices		AUSTRALI	iA .	10 9	8	7	High	Low	Hercer
NEW YORK-DOW JOI	1E\$				777,78 769-50	784.28	768.77	777.78 (16/1/80) 54	5 79 /9/1/70	Nthn.

															_		
				In	dia	ces						Jan.	Jan.	Jan.	Jan.	1979 High	9-80
IEW Y	OR	K-	ow.							·	AUSTRALIA Sydney All Ord. (1956/58) Motals & Minis (1956/58)	777,75 4881,56	769.58 47 <b>80.</b> 86	784.28 47 11.78	768,77 4808.84	777.78 (16/1/80) 4891.86 (15/1/80)	
	an. Jo	sn. 8	Jan .	Jen. 4	Jan.	Jan. 2	1979 High /			Complite	AUSTRIA Credit Aktien (2/1/62) BELBIUM	98,98	68.69	68.85	69,40	69,40 (7/1/80)	81,58 (2/5)
							!		<del></del> -	· · · · ·	Belgian SE (31/12/55)	102,13	102.59	102.16	156,10	109,47 (6/10)	98.80 (6/1/7
ndustr' is 81 me B'nde 7						75.47	66.10	796,67 (7/11) 73,85 81/12)		(2)7)52)	DENMARK Copenhagon SE (1/1/75)	88,87	84.00	84.91	84.15	97.46 (25/7)	85.97 (10/1/69
ansport., 2: Illties 1:							271,77 2 118/81 109,74	10579 (27/2) 38.24	17/2/68 155,52	12,28 (9 <i>(7)6</i> 2 19,52 (28/4/42)	FRANCE CAC General (29/12/61) Inc Tendance (28/12/79)	(u) 0.001	194.5 101.0	(U) 180.2	180.4 97,7	115.1 (6/10) 131,5 (8/1/80)	82_4 (16/2) 85.8 (3/1/80)
	6,770 5 <b>3</b>		-		<b>50,73</b> 0	41,920	·	_	-	, (20)*/ *2) 	DERMAHY FAZ-Aktien (51/12/58) Commerzbank(Dec. 1855)	224,71 708.4	225.6 710,2	225.89 796.4	222.88 702.2		220_78 (5/1/80) 685.6(3/1/80)
lay's high 8	65.70	low i	346.7	5 Jan. 4		ec. 88	. Dec. 9	91 7		(Approx)	HOLLAND ANP-CBS General (1970) AHP-CBS Indest. (1970)	84,4 88.0.	84.8 68.2	83.6 17.1	85,6 67,1	84.2 (24/1/78) 85.9 (24/1/78)	82,7 (5/1/80) 65.7 (16/12)
Ind. di	v. ylaid	2	-	50.8		5,03	6.05	—. <del>.</del>	3.1		HOHG KOHG Hang Seng Bank(61/7/64)	855,21	850,73	848.52	81 <b>5.18</b>	888,18 (2/1/80)	485.95 (2/1/7
TAHOARD	AND P	OOR	 S		_	_	-		•	<del></del> -	ITALY Banca Comm. Ital (1972)	86.02	87.78	66,80	88.55	85.85 (4/10)	68,38 (2/1/79)
: ,	lan.	lan.	Jan.	Jan.	Jan	ı∵ Jan. 2	127		Sinca (	Cmpli't'n	JAPAH Dow Averags (1615/48) Tekyo Hew SE (4/1/68)	8884.91 469.58	8691,83 469,92	6585.28 458.14	6552.65 458.24	6594,51 (18/1/80) 485,24 (28/8)	5925,87 (10/4) 488,18 (16/7)
dust'le 1	22.50 1	22,24					11 124,49	107, 06	134,64	6.52 (50/6/32)	NORWAY Oslo 2E (1/1/79)	154.78	188.74	156.18	155.68	142.22 (18/12)	74.46 (16/1)
omposite 1	10 <b>5,0</b> 6, 1	08,95	106, 6	1 169,5	2 1 <b>05.</b> :	22' 106,7	8 111,27	86, 18	126,85	4,46 11/6/52)	SINGAPORE Straits Times (1866)	440.15	459.76	455.22	455.06	440.15 (10/1/80)	546.54 <u> 25/2)</u>
			<u> </u>	an. 2	-;	ıc. 23	Dec. 1	2   Ye	<del></del> -	lapprox	SOUTH AFRIĞA Gold (1958) Industrial (1858)	lu) lu)	505.7 489.2		521. <del>5</del> 488.2	540.8 (2/1/80) 469.2 [9/1/80)	229,40 (17/4) 270,58 (2/1/79)
l div. yield . P/E Ratio			_1	5,38 7.54	-[	5.27	3.24	<u> </u>	8.0		2PAIN Madrid SE (28/12/78)	\$9.66	99.47	99.51	Ic)	190,78 (2/1/66)	90 47 191 190
12 Gov. Bor		3	- 1	0.16	-!	7.67 0.17	10.02	- -	8.8 e.6		SWEDEH Jacobson & P. 11/56)		545.78	845.4E	-	401.54 (6/2)	89.47 (9/1/80) 561.57 (24/9)
Y-S.E. ALL	. CCM	ION						enă F		Jan. 7	SWITZERLAND Swiss Bank Cp. (61/12/58)				<u> </u>		284.98 (8/1/79)
n. Jen. J. 2 B 7932,3961	7 4	ŀ 	High	9-80 Low 83-88	_ R	ises 111s		917 025 546 346	1,887 1,900 348 348	1,904 904 624 375	Base values of all is and Poors—10; and for bonds. ± 400 industrials 20 Transports. s Class	sito1. L	.000; 11 36 landk	re bact ustricis	name:	t besed on 1976	i. † Excluding
'				(2718)	N	ielH we	15	159	104	80 . 10							· · · · · ·

215.15 (2/1) 226.89 (2/1)

Closing price 1112 6514 951 557:

traded 831,800 806,700 642,600 587,000 572,900

# Dow up 6 in heavy early trade

IN ANOTHER heavy early trade at 3,8042, Metals and Minerals Minerals index advanced 100.40 the accountement of covery of oil and gain profit-taking. 21.5 at 1,934.6, Golds 5.5 at to 4,881.36.

Wall Street stocks showed an 2,730.6 and Papers 2.01 at 173.26. The Ashton diamond converging to the accountement of the converging to inclination to gain fresh ground.

The Dow Jones Industrial
Average was 5.88 higher at
855.97 at 1 pm. while the NYSE
All Common Index rose 50 cents to \$63.22 and rises led falls by so eight-to-five margin. Trading volume was a heavy 34.72m

shares at 1 pm. but fell well below Wednesday's comparable mid-session total of 49.41m. Analysis said oews that who'esale prices in December rose 0.8 per cent, well off the 1.3 per cent rate of rise in November was

encouraging. The market has risen sharply this week on expectations of increased U.S. arms spending that should benefit defence and

capital goods issues.

Voluma laader Benguet rose \$1 to \$101 despite 2 decline in Gold prices, although Silver continued to rise. Williams Cos., which fall sharply early in the week on fears shout the effect of the grain embargo on fertiliser manufacturers, gained 11 to

Hiram Walker jumped 81 to \$584. The company is being acquired by consumers Gas for stock valued at \$1.3bn. Chemical New York eased }

to \$37 despite reporting improved fourth-quarter pet earnings. Winn Dixie were unchanged at \$27½. A block of 343,300 shares were traded at \$27. 343,300 sbares were traded at \$27.

CBS said it will distribute video discs for RCA's selectavision. CBS added 2 at \$521, but RCA were unchanged at \$24.

Amerada Hess climbed 11 to \$491 and Mapeo 11 to \$391. Both raised their dividends. THE AMERICAN SE Market

Valua Index rose 2.45 to 254.20 at 1 pm. Volume 3.66m shares 1 pm. (6,27m).

#### Canada

Markets coptinged to edvance

2,055 1,015 386 2,180 6,040 3,830 2,445 1,685 950 2,210 1,835 3,330

+15 -2 +36 +40 -20 +24 +20 -5 -2 +30 +60

Beksert B...
Ciment G2R...
Cookerili
E8ES
Electrobel
Fabrique Nat
GB Inno
GBL (Brux L)
Gevaert
Hoboken
Intercom
Kredietbank
Pan Holding

Closing price 201: 574: 63: 54: 244:

on dey + 7,

#### Tokyo With zerive buying taking

place in stocks of companies related to production of materials that can be used to build military hardware, the Tokyo market gained further ground early yesterday. Some segments of the market, however, subsequently reacted on

profit-taking.
The Nikkei-Dow Jones
Average reached the 6,600 level for the first time in its history, before finishing only 2.18 higher on the day at 2 oew closing record high of 6,594.01. Gaining issues still outscored declines at the close by 363 to 271 on the First Market section. while turnover was again sub-stantial, amounting to 630m

shares (630m).
Brokers said the Soviet Union's incursion in Afghanistan and the general atmosphere of hardened hostility between the U.S. and the Soviet Union over Afghanistan had aroused the interest in issues that could benefit from increased military

spending.

Machine Manufacturers such as Ishii Iron Works and Okuma Machinery Works, Steels, Bear-ings, Petrochemicals and some Cement issues were still ahead at the close after active demand. but Energy-related shares and Non-ferrous Metals were mainly lower oo balance oo afternoon

profit-taking.

Kawasaki Steel, Y131, and Nippon Steel, Y128, added Y2 apiece, while TDK Electronics improved Y20 to Y1,830, but Telkoku Oil receded Y11 to Y932, Toa Nenryo Y26 to Y800, Nippon to Y1,660, Santo Steam Ship Y7 to Y310 and Mitsubishi Ship Y7 to Y310 and Mitsubishi Santo A\$7.10.

#### Australia

Markets coptinoed to servance
in very activa trading yesterday
morning. The Toronto Composite Index climbed 19.99 to a
new all-time peak of 1.573.97 at
noon. Oil and Gas added 19.8

Closing prices for North
America were not svailable
for this edition.

Authorization

Markets were predominabily
firmer, with Diamond Exploratiop issues meeting a good deal
of buying attention, along with
a fair pumber of Metal Miners
and some Energy stocks. The
Sydner All Ordinaries, index
climbed 841 to an all-tima peak
of 777.79, while the Metals and

months to December late on hy ceing a commercial diamond property at the consortium's Argyle discovery. The pipe surface area is reportedly larger and the yields better than mines being Michelln "B" FFT 23 to FFT 25 successfully worked in South Africa London was very enthusiastic about the oews and pushed the Ashton stocks ahead

at AS3.30. Elsewhere, Gem Exploration rose 6 cents to 42 cents. ploration rose 6 cents to 42 cents.
Among Metal Minings, MIM
moved shead 15 cents to A\$4.70
and Western Mining 12 cents to
A\$3.80. Hamarsley rose 18 cents
to A\$3.70, while Tin Producers
Abertoyla and Renison met fresh
buying and improved 40 cents to
A\$5.60 and 50 cents to A\$17.60
respectively.

respectively.
Gold stocks firmed on the worsening Afghanistan crisis with Central Norseman Gold puttoog on 10 cents to A\$6.20. Posiedon 3 cents to A\$2.38 and GMK 10 cents to A\$3.70.

Market leaders BHP advanced 20 cepts to A\$12.30 pp tha Industrials board. BHP reported strong demand for its steel and outlined plans for bringing the

#### **Paris**

Profit-taking after the receot edvance, partly prompted by mounting international political tension ove rihe Soviet intervention in Afghanistan, pushed shares down in moderate trading. Falls were widespread among Foods, Constructions Rubbers, and also Oils despite tors.

covery of oil and gas in the Norwegian zone of the South sortium reported for the three Sea by a French constitute led Wednesday, and on the evidence the market is banking on there however, was observed animal to be a second anim Aquitaine lost FET 7 0 FFT 1249 Thomson Trans FFT 5.8 to FFT 2022 and

However, closing two to three per cent higher were Schmelt Peugeot-Citroen, Alspi, Named Galcries, Radiotechnique, Sauldes, Rousel-Uchaf, Lyonnia

pushed the Ashton stocks abead and Australian centres kept them going for 2 while before profit-taking slowed the advance.

Among the Ashton partners, CRA gained 14 cents more at \$5.40. Ashton Mining eoded 20 cents higher at AS3.40 and Northern Mining added 10 cents at AS3.40 and Northern M rather quiet dealings. The Chimmerzhapk index dipped 1.8 po

Dresdner Bank declined Dit 2.30, while among Electricals, Brown Boveri surrendered DM 6 of its recent edvance but AEG improved DM 2.10. MAN lost DM 3 in Engineerings and Kaufhof DM 3.30 in Stores. On the Domestic Bond market, Public Authority Loans eased afresh by op to 65 premige. The Bundesbank bought a nominal DM 5.3m of paper after purchases of DM 27.6m on Wednesday. Mark-denominated Foreign Loans

#### also continued to weaken. Johannesburg

Gold shares closed higher across the board after active

Harties rose 300 cents to R60.000, while Kloof and Libanon added 100 cepts each at R27.50 and R19.25 respectively.

Mining Financials followed

Mining Financials followed gold prodocers ahead, with Amgold gaining R4.00 to R95.00. Do Beers put on 10 coots to R11.00 after Wednesday's CSO diamond sales figures. The Stock Exchange officially corrected the Da Beers closing price for Wednesday. Platfurnes were recorded. nesday. Platinums were mixed. Switzer and

The traditional January rally gained momentum yesterday in increased volume, particularly in the Financial and Industrial Sec-

for this edition.	of 777.79, while th	e Metals and Kunners, a		
CANADA	BELGIUM (continued)	HOLLAND	AUSTRALIA Price + or	IAPAN (continued)
Jen- Jan-	Jan. 10 Price + or	Jan. 10 Price + er	Jan. 10 Aust. 5 . —	Jan. 9 Yen -
Stock 8 8	Petrofine 3.580 -120 Royale Belga 5.150 -110 Soc Gen Bang 2.805 +3	ACF Helding 79.7 +1.7	AHZ Group 4.90	Makita
Abitibl	Soc Gen Banq 2,805 +3 Soc Gen Belge 1,625 -25 Sofine 5,950 +20	Ahold 81.8	Amep Pet 1.08 -0.02	Marudai
Alcan Alumn 62 5912   Algerna Steel 3214 31	Sofine	1 AMEV 101,4   -2,2	Ast. Pulp Pap 2,20	Matsushita 702 -5 M'ta Elec Works 558 -7
Asbestos	UCD 2,400 2	AMRO	Aust Guarent 1.42   -0.61	M bishi Bank 390 +10 M bishi Corp 701 -20
Bk Hova Scotia 2513 25 Basic Resources. 1236 1259	Union Miniere 78624 Viaille Mont 1.372 +42	1 Bos Kalis 105.1 -1.1	Aust Paper 1.51 +0.82 Bamboo Creek 0.21 +0.81	M'bishi Elec 207 —1 M'bishi Ri Est 432 —1 MHI 187 —2
Bell Canada 2051 2058 Bow Valley 4014 4058	DENMARK	Suchrmann-Tet : 57,5   -0.5 Caland Hidgs 28.5   +0.3 Elsevier 237   -1	Bone Metal 1.22 —0.05	MH1
Brascan A	Jan. 10 Price : + or	Euro Com Tst 72	Boral 2.37 +0.07	Mitsukoshi
B.C. Forest 95 2318	Andelsbanken 136	Gist, Brocades 53 Heineken 71.5 -0.7	Brambles Inds 2.90 +0.02 Brambles Inds 2.00 +0.10	Nippon Denso1,870 i
Cadillac Fairy 211g   2034   Camflew Mines 20   203g   Can Cement 1234   125g	Bartica Skand 280 —8 Burm & Wain 74.75 +2.75	Heogovens 23.4 -0.8 Hunter Douglas 22.5 +0.5 Int-Mueller 25.3 -0.7	8HP	Nippon Meat 483   Nippon Oil
Can HW Lands 174   174	Cop Hahdelsbrik, 119	Int-Mueller	Carlton & Utd	Hippon Shippon 615: +5 Hippon Steel 128 ; +2
Can Packers 321g 38 Can Perm Mtg 18 171g	Danska Sank 118 —0.25	Nat Hed Cert 120.7 -1 Ned Cred Bank 56.5 -0.2	Complete 4.40 +0.84	NIppon Suisan 218 41 NTV
Can Trusteo 22 2154 Can Imp Bank 264 2554	Finansbapken 157 +0.25 Forenede Srygg 246 +1	Hed Mid Bank235 -4	Cons Gold 5.20 Containers 2.54	Nissan Motor 791   -2 Nissan Flour 870
Con Inds	Forende Dampsk 167,26 -2,25 GNT Hkd2 193	OGEM	Contain 8.13	Nisahin Steel
Can Super Oil 201 201	Nord Kabel 154 Novo Ind 207,25: -4.76	Pakhoed	Crusader 00 2.20 +0.85   +0.81	NYK
Cherokee Res 9814 8712 Cherokee Res 1154 1112	Papirfabrikker 110 Privatbanken 125.75	Rin-Scheide 34.0 -0.6	Elder Smith GM. 8.41 +0.81 Endeavour Res. 0.37 Escor. 0.88	Orient
Chieftain	Provinstanken   129	100amco -,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Gen Prop Trust. 1.52 Hamersley 5.70 +0.16	Ricoh
Consumers Gas. 271s 271s	Superfos	Rolinco	Hartogen Energy 2.85 +0.66	Sekisul Prefab 805 -4
Coseka Res 1266   1218	PRANCE	Royal Dutch	Jennings 9.58 +0.02	Shiseldo 965 +1
Daon Dovel	Jan. 10 Price +or	Unilever. 117.5 -0.5 Viking Res. 75.2 +0.2 VMF-Stork. 36.1 +0.3	Jimberiana Min 1.75 +8.03	Sony 1,730 -10 Stanley 475
Dome Petroleum 5718 68	Emprunt 45% 1976 1.787 +7	VMF-Stork	MIM 4.70 +0.15	S'tomo Marine 286 +1 Taihei Dongyo 715 Taisei Corp 205
Dom Sridge 1812   1314   Dom Foundries A 3434   34	Emprunt 7% 1878, 6,649 +549 CNE 6% 3,950 -56	West Utr Bank[530.7   -1.3	Metramar Min 0.19ng	Taisho Pharm 565 +2 Takeda 531 +2
Dom Stores 1954 1954 Domtar	Afrique Occid 3705 Air Uquide 4904		Myer Emp	TDK
Falcon Hickel A. 991 95 Genstar. 975 263 Gt-West Life 1274 1274	Aquitaine	ITALY	Hichelas Int 1.08	TBS
Gulf Canada 11212 11918 Hawk Sid. Can 1558 1554	BIG	Jan. 10 Prica + or	North Skn Hill 9.95 +0.10 Oakbridge 5.79 -0.09	Teklo Marine 644 -4 Tekyo Elect Pwr. 915
Hollinger A 45	BSN Cervals 8992 Carrefour 1.5955 Club Meditor 343.511.8	AHIC 9.75 +0.25	Pancon	Tokyo Gaz
Hudson Bay Mn2. 2956 2914 Hudson's Bay 8314 28 do. Oli & Gas 98 9914	CSF (Thomson) 481 —5	Assicur Gen 47 200 - 850	Pioneer Conc. 2.07	Tokye Corp
Husky Oil	Cle Bancaire 360 -0.2 Cle Gen Eaux 440 +7	Banca Com Te. 11.990 +180 Bestogl Fin. 717 -6 Flat 2,099 -29 Finaider 80 +2	Santoe 7.1 +0.65	Toyota Motor 820 -1
Imp Oil	CCF	talcementi	Sleigh (H.C.1 1.12 -0.81	Victor
Inco 2878   2812 Indai 1218   1818	CFP	Montedison 178.254 Olivetti 1.640 +50	2parges Expl 0.68 -0.02 Thes Natwide 2.06 +0.05	Yamaha Motor 880 +17 Yamazaki 545 -19 Yasuda Fire303 -2
Interpr Pipe 193,   1878 Kaiser Res 304, 2914	DNEL	Pirelli Co 1,880 —21 Pirelli SpA 375 —10	Tocheys 9.00 Tooth 1,98 +0.67 Utah Mining 4.00 +0.05	Yokosawa Bdge 650
Mac. Bloedel 251g 25	Gen. Occidental . 267			SINGAPORE
Massey Ferg 117g 1134 McIntyre Mines 7134 7234 Meriand Exple 1634 185g	L'Oresi 893 -8	NORWAY	Western Mining_ 3.80 +0.12	Jan. 10 Price +er
Moore Corp 365g 3434 Mountain State 11 11 Nat. San Prods A. 1832 1642	Mechines 8eft   58.5   -1	Jan. 10 Price + or	Wermald Inti 5.10 +0.02	Soustand RNd 344 0 m
Nat. Sea Prods A. 181 <sub>2</sub> 161 <sub>2</sub> Neranda Mines 241 <sub>4</sub> 241 <sub>6</sub>	Matra 8,400 -20 Michelin B 857 -23 Moet-Hennessy 516 +3	Kroner -		old Storage 2.59 BS 5.200.66
Hercen Energy) 51%   5112	Moulinex	Bergens Bank 106 73 -2 192.5 -0.5		1.89 -0.01
Nthn. Telecom 5414 5214 Numac Oil & Gas 481s 49 Oakwood Pet 15 137s	Perced Picerd 258 5 4.5	Elkem	Comos Prop. 1.98 -0.82	falay Banking 8.20 +0.05
Oakwood Pet 15 1378 Omni 2.80 2.96 Pacific Dopper 8.70 9.65	Peugeot-Cit. 953.5 +1.5	Norsk Hydro 710 +8,5 Storebrand 117,6	Eastn Asie Nav. 6.53 +0.05	2n Elect 1.5% -0.09
Patino 84 24	Pocialn		HK Electric 6.05 -0.05 8	ime Darby 3.64 +0.92 traits Trdg 7.90 -0.18
Piacer Dev	Redoute 455 Rhone-Poulenc 129.7 —8.3 Roussel-Uciaf 258 —6.5	SWEDEN	HK Telephone 1907	OUTH AFRICA
	St-Gobain 125 +4.5	Jan 10 Price + er	Jardine Moth 15.5 -0.25	
	Suez	Kroner	O'seas Trust Bk. 4.65	Rand —
Royal Bank 4034   3954	/	lifa-Laval	SHK Props 17.5	beroom
Royal Trustco A. 14 14 14 Sceptre Res 1116 1146 14719 4719	Price   + pr	lofors	IAPAN	CI IOW PERIOD 0.ZU 1 +U.B
Shell Can A 5514 5518 Steel of Can A 87 95	- vaic 10 DML - C	Partrolux 110 -1	Jan. 10 Price + or C	NA Invests 3.45
Teck B	Allianz Vers	99.0 —0.5 aselte 145 —3	Yen - D	9 Dears
Teronto Dom Rk   83%   23%	Bavar-Hypo 239 2 1 2	raenges 68.5	Amada	013 Flate 24 50 00 11 14
Trans-Mntn Of A 1418 14	Bayer-Verein 265.5 1.6 S BHP-Bank 183 0.5 S	eab-Scania 68	Bridgestone 535 -1	Uistts 5 90 7
Utd Siscoe Mines 103 114	Brown Boveri 292 6 S	kandia 238	Dale: 293 +5 H	dof27,6 +1 adbank 5.50 +0.65 K Bazaars 13.30 +0.19
Warrier Res 2.23 5.50	Commerzbank 174,21.1 S Conti Gummi 44.2 8	KF	OKBO 360 +2 P	
Weston (Geo) 823, 825,	Oogursa	andstik	Daiwa Selko 285	ennies
ALICTRIA "	D'sche Babcock 255 2 V	olvo	Eisal1,990	ge Hidgs 9.40
	Deutsche Sank 253.6 —1 DU Schult 150 —9 Dresdner Bank 192.5 —8.5		Tuli Film	nith CG Sugar 11 CD
11100 TO	Dyck Zement 142	Witten	Ulitau Fanua 5.430 +290 T	96FOsts
Creditanetalt 336	Hapag Lloyd 70 —1	$\sim 10^{-5}$ f $^{\circ}$	laiwa Ri Fet	inancial Rand US\$0.90
Perimoossr 870 —5	loechst 122,9	Jan. 10 Price + or   Frs	iltachi Kovi - 275	(Discount of 26%)
Steyr Dalmier 235 +1   Valtscher Mag 350 +3	Z-11	USU SSe 1,280 +25	louse Food 800 +2	RAZIL
	uarstact,	ba-Gelgy 1,840 -10	to Ham	
BELGIUM/LUXEMBOURG	CHD	ektrowatt 2:290 —5 J	AUG	Jan. 10 Price + or. Cruz
Jan. 10 Price +er	Crupp	77-RochePtCts 6.800 _750 k	alima 902 —8 Re	asita 1,190,86 nco Brasij 2,75 +0.08
Frs. —	ufthansa 73 i in	77-Rochs 1/10, 6.75075   K terfood	20 Sosp 417 +2 Ba	nco itau
ARBED		IIIIIII 1,400 +15 K	375 4 L0	trobras PP 1.77

2,680 258 4,060 624 265 780 415 6,950 1,940 5,535 2,190 13,800

-65 +2 -5 +1 -23 +3 +8

### Danish bacon goes up

oe of the we we check the lower on the lower of the lower of the lower of the lost FPr. Thomson by FFr. 23 to FPr. Thing two to be it were on to it.

1sing two to Fra T were Schnist L. Alspi, Novel Radiolechia d-Uclaf, Long lor and Penas

improving .

by a doctor dealing. Index dipped light

ank declared in money Electrical advance but at a carrier Bond and Engineerings at the control of the carrier Bond and print to be sent and the carrier Bond and print Bond and print Bond and per after purchase and bed Foremale, to weak a sent and print Bond and bed Foremale, to weak and a sent a

purg

oaro after at

Kloof and in the cach at Receively.

Ganerals folia

a head was B4.00 to Ba. On 10 cms. Wednesday's a figures. These sally corrected a property of the property of

ibis brice lie &

nums were

אַ דְּוַבְּעִירְבּּל וֹבְּהִירְ בַּ

r. ur esterde

and Industrials

(continued)

120 (0) 30 (0) 65 4 10 (0)

ç

Mark W Mag. 5 Sy Shippar

きぶひら

10

: 20

1,000

2 € ^ 2 × 2 7 × 5 € 2 8 × 5 × 6

AFRICA

15

257\* 1355\*

Rend of Rend

ind

DANISH BACON will be dearer in the shops next week following a £30 rise in the first-hand price announced yesterday. This lifts the price to a record £1,270 a tonne. The first hand prices of British and Ulster haeon remained at £1.220 a tonne.

ESS-Food, the Danish bacon importer, said the rise reflected a firmer market recently and was made necessary by a reduc-tion in import subsidies result-ing from the recent devaluation of the Green Pound—the artificial exchange rate at which EEC farm prices are translated into sterling.

The rise is equivalent to about 11p a lb over a whole side of

Red meat prices were generally lower in the shops this week according to figures pub-lished by the Meat and Live-stock Commission yesterday. Topside and silverside beef was about 3p a lb cheaper while other cuts were down about 1p. Pork was generally 1p a lb cheaper. Prices of bome killed lamb were down about 2p a lb from last week but New Zealand lamb was about Ip dearer.

#### Lower coffee crops forecast

PANAMA CITY - Central American coffee officials forecast the region's coffee production for 1979-80 will be about 1.5m' bags (60 kilos each) less than 1978-79 becausa of a harsb

They said the combined output of Guatefals, El Salvador, Costa Rica, Nicaragua and Honduras would be about 6.5m hags, against over 8m in 1978-

Enrique Roche, president of the Gnatemalan National Coffee Association, said the second production estimates of Central American coffse production made by the U.S. Department of Agriculture were too high.

We are only now realising we will have a shortfall of about 1.5m bags, be added. Apart from Nicaragua, delegates of the four other Central American countries are here with Brazil, Colombia, Venezuela and Mexico for a conference of thes Bogota group

# Lead falls to 13-month low

BY JOHN EDWARDS, COMMODITIES EDITOR

the market continued. Cash supplies is feared. lead closed £10.5 down at Copper for example. A significant feature is that cash lead is now cheaper than the

three months anotation at £436. signifying that the tight supply situation appears to be easing. It was the shortage of nearby supplies that drove cash lead to over £700 last June and sustained the high price levels ever since. Now there is considerable nervousness that exports to the Soviet Union—the main buyer creating the short-age of supplies available to the

market-will not be permitted. of other commodities, does not appear to have sought to obtain lead although, of course, this

could quickly change.

The decline in lead reflects the general nervousness in the base metal markets over the Afghaniarmaments manufacture, but the quantities on the silver futures

LEAD PRICES fell yesterday to reverse seems to have happened the lowest level since December on this occasion except for alu-1978 as the downward trend in minium where a shortage of

Copper, for example, has lost £434.5 a tonne—a loss of nearly £70 in the past week. Although £100 compared with a week 5go. prices closed marginally higher vesterday there was considerable selling pressure. Tin prices have fallen sharply too, undermined by the prospect of a resumption of sales of surplus stockpile tin.

Bolivia bas complained to the Organisation of American States about the "economic aggression" shown by the U.S. in releasing stockpile tin. It also plans to protest strongly at the International Tin Couocil So far the Soviet Union, seems likely that the stockpile which has been an active buyer sales will go ahead, after all the sales will go ahead, after all the trouble the Carter Administration bas encountered in persuading Congress to authorise the sales.

Silver prices were higher yesterday, desplte the decline metal markets over the Afghaniin gold. Buying interest in the stan crisis. Normally military U.S. was stimulated by reports conflicts boost metals in anticitated that Nelson Bunker Hunt has pation of increased demand for decided to take delivery of large

#### Farm Ministers blamed for EEC overspending

BY RICHARD MOONEY

agricultural policy was laid nt the door of the Council of Agricultural Ministers yesterday by Mr. Christopher Tugend-bat, the Common Market budget "No reasonable person can bat, the Common Market budget commissioner.

the present crisis might have been avoided bad the Council heeded the warnings given by the Commission "in clear and unmistakeabla terms" over the

sive, Mr. Tugendhat declared. "It is essentially the distortions of the pobcy which bave increased costs."

He welcomed the Council's farm price talks. "This is. a step forward in bringing finanto try and halt falling world cial considerations to bear on in the Community to see decisions concerning the CAP, the CAP remains strong."

THE BLAME for the escalating and one very welcome to the cost of the EEC'5 common Commission," he said, agricultural policy was laid nt The money to run the policy would run out soon if nothing

was done to contain costs, he

accept a system whereby sup-He told farmers in Stafford port is given to production which is regularly and considerably in excess of market requirements," Mr. Tugendbat

. But he insisted that the CAP Asst three years. was necessary and important it was not the CAP itself for Europe. Changes were which was intrinsically expenurgently required but these should be designed to improve the policy and eliminate its distortions and not to tear the CAP up by the roots.

"I cannot given you a recipe decision to involve Finance for profitable farming," the Ministers as well as Agricul- commissioner said. "What I 704,200 tonnes from 445,800 tural Ministers in the 1980-81 can do is to give you the tonnes, from the farm, price talks." "This is, a assurance that it is in the Fishmeal stocks at the end

#### Sugar pact quotas suspended

By Our Commodities Editor WORLD SUGAR export quotas for 1980 were officially aspended yesterday by the International Sugar Organisa-tion. The decision followed an all-day meeting of the organis-ations executive committee

market had closed. The suspension of export quotas came as some surprise, since it was thought the executive committee would seek to prevent a free-for-all by authorising another large rise in quotas so that it could retain some semblence of con-

which ended after the London

agreement amongst memberconntries and it was decided to abandan the fight to retain quotas, for the time being at

In fact, unless prices had

dropped dramatically, export

trol over the markel.

quotas would have been suspended antomatically next Tuesday when the 15-day sverage price, under the agreement, would have been above 15 cents a pound for five consecutive trading days. The suspension of quotas bas, therefore, been largely anticipated by them arket and discounted. Despite the nervousness about quoias. nervousness about quoias, prices were sharply higher in New York on Wednesday felowing rumours of hnying by China and the Soviet Union. Lack of confirmation

brought an easier tone on the

London market yesterday. Nevertheless the major question facing the market now is how much extra sugar supplies will become available as a result of the supsension of quotas. Some traders feel that little extra sugar will he offered until prices rise to much higher levels. But others think exporters will rush sales through in antici-pation of quotas being imposed again.

#### Peru's fishmeal production up WASHINGTON—Peruvian fish-

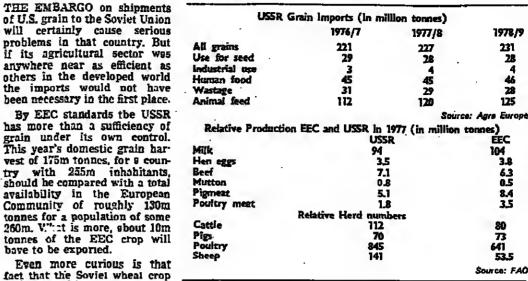
meal production increased to tonnes in the year to September 30, while exports increased to

interests of all producers with- of September were indicated at in the Community to see that 66,000 tonnes, tonnes,

SOVIET GRAIN USAGE

# The cost of inefficiency

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT



made often hefore the grain is tral authorities with encourageven harvested.

The Soviet system of farming wben 1 last saw it on the ground, admittedly 20 years ago, relied on a payment by re-snlts system for both state and collective forms. Plus a very vaguely defined private sector through which much of the livestock and vegetables supplies those from a Communist source passed.

Is would be all too easy for the farming administrators at imports in recent years. can be placed on estimates, the grass roots, to feed the cen-

ing reports, or the reverse. which would bave no relation at all to final deliveries. The shortfalls or surpluses could be ascribed to seasonal causes, the and farmers everywhere. With the above qualifications

in mind it is interesting to note efficiency even halfway to that the disposal of the Russian of the EEC farmers the need Cereal availability including for U.S. imports even in years Significant here is the large minimal.

amount of wastage emounting 29m tonnes on average, which would easily cover average imports, and is more than the total grain utilisation in the UK for

It is also worth comparing the usage of feed grain with that in the EEC where over the five years ending 1977-78 it averaged 68m tonnes annually. Feed grains in the main are used for the production of livestock, meat, poultry and milk products. The table opposite shows how the USSR and the EEC com-

pare in this. In addition the Soviet Union Imports considerable quantities of mest and butter more on an opportunist than a regular basis. In 1979 for instance butter im-ports from the EEC totalled, it is helieved, more than 100,000 tonnes.

It appears that in terms of livestock production the Soviet Union, while using 70 per cont EEC sctually produced substantially less with it. This is not sltogether an indictment of the Russian system, there are other factors such as unfavourable effects of pests and other factors such as unfavourable excuses, well known to peasants soil and climatic conditions. But the lesson here is that if the USSR could uso grain with an of severe drought would be

# Argentina will not back grain embargo

second biggest feedgrain exporting country, yesterday sald it and Public Services Union, said would not support the U.S. grains embargo against the Soviet Union. A Government statement said Argentina refused to participate in punitive decisions or attitudes adopted without our previous involve-But Argentina said it would

bave to be exported.

for 1979, which has fallen by 35m tonnes to 85m is still more

than double that which suffices

the EEC, and a good deal of that has to be fed to livestock.

What do the Russians do with it

Of course there is the possi-

bility that some of it never

existed in the first place. British

and European statistics of farm

production are I always think

highly unreliable. I doubt if

are any better. I have never

understood bow any reliance

attend, as an observer, the meeting of leading grain exporting countries on Saturday in Washington called by the U.S., so that It can participate in the analysis of what will bappen to the world marketing of grain. Better news for the U.S., however, was that West German and Egyptian dockers are to support the boycott of ship-ments to the Soviet Union by

in a newspaper interview: want 10 see 10 it that the hoycott by our American colleagues will not be undermined in Ger-

The decision by Argentina not to support the grains sales cuthack is a major, although not entirely unexpected, blow to the U.S. It is estimated that Argentina might be able to supply up to 4m tonnes of feedgrainsthe grain which the Soviet Union needs most to make up for the shartfall in supplies from the U.S.

tonnes of maize to the Soviet Union in 1979, as well as 1m tonnes of wheat. But it is thought sales could be stepped

Heinz Kluncker, president of up substantially from the forth-world grain market already he West German Transport coming crop.

doubts whether the U.S. cutand Public Services Union, said On the Chicago Board of hack will work, reports John On the Chicago Board of

Trade, in the second day of trading after the two-day suspension, wheat prices rallied after opening well down following rumours of increased buying interest, especially from China, 8t the lower levels. Maize (corn) prices remained substantially down hecause it is sales of feedgrains that are mainly affected by the U.S. em-

soyabean sales to the Soviet Argentina reported only 1.6m Union represents only a relatively small proportion of total U.S. exports, unlike maize and

sanction. He pointed out that the 1979 world barvest bad been sbundant and other countries, including Argentina, bad surpluses which could fill the Soviet needs.

Jean-Louis Juned, general

manager of Andre et Cie, of

Switzerland, ona of the world's

big five grain shippers, claimed the U.S. measure would only

be effective as a short-term

Wicks from Zuricb.

He forecast that ln two or three months' time the slightest sign of remorse by the Soviet Union would persuade major grain exporters, such as the EEC, Canada and Australia, if not the U.S. itself, to

#### BRITISH COMMODITY MARKETS

TIN Easter. Forward metal opened on a steady nate eround the E7,200 level but came under hodge selling and nerveus selling which depressed the price to eraund £7,80, with the backwardstion norrowing to £60. At

BASE METALS

this level the markot attracted covering genet Evidence Eviden

60. Ke £7,160, 50		ard,	three	months
TIN	a.m. Official	+ 01	p.m. Unoffic	al -
High Grad Cash 8 months	7190-200	-30.	7180-27	2 45 30 -45
Settlem't Standard Cash 5 months	7215-20	-77.S	7830-4	10 -4 6 9 -63
Settiom t Straits E. NewYork	7220 #2102	+1.	· ·,	

LG. Index Limited 01-351 3466 29 Lamont Road, London SW10 0HS. 1 Tax-free trading on commodity futures.
2. The commodity futures market for the small investor.

CORAL INDEX: Close 427-432 (+7)

INSURANCE BASE RATES † Property Growth 151% † Vanbrugh Guaranteed 141% † Address shown under Insurence and Property Table.



#### Are Lead prices a weight on your mind?

Be prepared—follow the trends read the experts' forecast in

# FINANCIAL TIMES WORLD COMMODITY REPORT

a specialist weekly newsletter

For a sample copy and/or subscription details,

The Subscription Dept. (WCR) The Financial Times Business Information Ltd. Bracken House, 10 Cannon Street London EC4P 4BY

LEAD	o.m.	+ or	p.m. Uneffic'i	+ or.	- 000
months ment S. Spot	442-4	-23,6 -23	e 434-6 435,3-8,6	1	Marsh May July Sep Nec Maroh
40 rang	derginally ving name is prior 38.5, Tu a: Cash Ca	move to cl	In the Excellence in the Excel	late	Sale tannos inter

ZINC	official	+ 01	p.m. Usoffici'i	+•
Cash O'monthe S'ment Prim w'st	887-8 801,6	9 -10	890-9 336-7 •87.8	£ 1.2
ALUMIN buying de Japanese movo aha botare mo price ta f	itum Remains and interest and to Expendent pro- 878.5. Tuto in Three in the Interest and Interes	sew 186 in fit-tak mayer nanth:	d firm ag ats of ian larward i the ma ing pared : 7,075 to s £885, 88	Irea mera ming thi nnas

Alumin'm	a.m. Official	+ 01	p.m. Unoffic'i	1
Spot 3 months	918-20 882-4	£ +10 +0.5	£ 211-5 278-9	+3. +0

monthe £2,840.

NICKEL	Official	+ or	p.m. Uzoffici'i	+ 6
Spot 5 months	2780-45 2835-48	-25 -22_5	2785-48 2840-50	+9
* Cents.	ber boni	d. 1	SM per j	Hau

Silver was fixed 40.5p an ounce bigher lar epot delivery in the London bullion market yesterdoy at 1,504.1p. U.9. cent equivalents of the fixing levels were: Spot 3,399.5c, up 84.5c; three-month 3,482.9c, up 61.4c; aixmonth 3,482.9c, up 49.4c; and 12-month 3,562.7c, up 45.9c. The metal apened at 1,455-1,545p (3,300-3,500c) and closed at 1,480-1,560p (3,350-3,500c).

Buillon + or LM.E. + or fixing - p.m. p.m: Uneffici'i 8pot ..... 1504 10p+49.5 1587.5p +50 8 months 1535,10p+81.5 1585.0p +50 8 months 1588.10p+81.5

LME—Tumovor 137 (159) lots of 10,000 ciza, Moming: Three months 1,520, 25, 40, 50, 60, Kerba: Three menths 1,530, Afternoon: Three menths 1,545, 50, 46, 40, 45, 60, 70, Kerba: Three months 1,570, 60, 50, 48,

LIVERPOOL—Spot and chipmont celes amounted to 382 tonace, bringing the telef for the week as fer to 1,848 tonace. Fair ganeral demand open so-countered; with additional support in North American variaties. African and South American styles moved just quietty.

second and third quarter cocce beans end products although producers, light sellers Wednosday, ware today with-

- COCOA	Yesterd'y	1-0	Done
Marsh	1465-68		
May	1465-64	-10.0	1467-50
July	1472-74		
Sep	1488-91	<b>≔10,0</b>	1495-90
Dec	1615-15	-a.0	1620-18
Maroli	1525-40	-15.0	
May	1555-70	-80.0	_

es: 1,133 (2,492) lots. af 10 (U.S. cants per paund): Oaily price Jen. 0 145.03 (145.27). Indicator price Jan. 10 15-day average 144.52 (144.38); 22-day ovorage 143.67 (143.78).

Robustas oponed £10-£15 lower in missed dealings but held steedy during a lackfustre marning and groduelly recovered losses to trade areund unchenged fevels, reperted Oroxel Sumham Lambert, The afternoon began quietly but continuous commission hause saling in the aport position kept the market under pressure until possible producer orientated buying litted values sherply to the highs of the day before gains were alightly cur into by local profit-taking.

96	COFFEE	Yesterdays Close	+01	Susine Dona
- 57		£ per tonne	_	Dona
	January March May July Sept Nov		+16.0 +8.0 +8.5 +15.5 +8.5	1085-8 1590-5 1097-0 1609-8 1610-9 1580
al				

Raise: 3,930 (3,330) tota of 5 tonnea. ICS Indicator pricas for Jan. 9 (canta per pound). Other Mild Arabicas 175.67 (177.50). Rabustas ICA 1976 164.00 (167.25). ICA 1968 164.25 (157.50). Unwashed Arabicas 213.00 (213.60). Comp. daily ICA 1968 185.78 (167.92).

LONDON GRAIN FUTURES—The market opened 35-40p lawer on eld crops and traded 50p lower initially en same selling pressure, commercial support of these levels relied the market end a good valums was traded. Values closed 15-20p higher on barley and 5-15p higher on wheat. New crops initially traded 40p lewer on wheat but lound good buying support to class etsady, 15-20p up en barley and 5p up on wheat, reported Acil.

Yest'rdays + or | Yest'rday + or Math close - ; close -Jan... 94.65 +0.18 91.80 +0.18 Mar. 98.80 +0.05 98.10 +0.20 May. 108.85 +0.15 99.30 +0.15 99.21 100.95 +0.05 97.50 +0.20

Rest unqueted.
HGCA—Locational ex-form spot prices. Feed barley: S. East 92.90, S. Wast 83.40, N. West 92.00.

countered with additional support in North American variaties. African and South American styles moved just (unprecessed) per stones. Shelf cod (unprecessed) per stones. Shel . \*

#### RUBBER

The London physical market opened quictly steady, but drifted throughout the day, clooning on an easier note. Lawis and Peal raported a Maleysian godewn price of 317 (315) cents a kn (buyer, Fabruary).

No. 1 R.S.S.	Yost rday		Business Done	
Fab	59.30.70.16	70.75-71 15	71 40	•
	70,40-71,20			•
AprIne	72.55-72.55	78.30-75.35	73.45-72.10	
	74.55-74.50			•
Oct- Oac	78.40-78.50	77.40-77.45	77,50-75.20	
Jan-Mar	78.05-78.15	78,39-79.40	78.50-77.95	-
	79,90-80.18			i
	01.85-82,10			
Oat-Dec	84,25-84.88	85.48 85.50	-	1

Sales: 383 (403) at 15 lanneo; 9 (30) at 5 tonnas.

Physical clasing prices (buyar) wors:
Spot 59.75a (aome); Feb. 69.00p
(69.55p); March 70.00p (70.50p).

#### SOYABEAN MEAL

The merkst apened around unchanged with Irosh cammicsion hause buying, reported T. G. Roddick. Activo cash markets as cansumers took advantage at lower prices and gave further support to the market which rolled and clased with goine of around £1.

3		Close	+01	Done
		2 pertonna		
	February	118,20-16,7	+1.10	118,50-17,00 114,50-15,58
	Juna	118,58-18.7	+1.0	113,70-12,40
	October	114.80-14.6	+0.75	114.50-13.70
	Pecember	118.79-17.4	+1.10	=
	Calego 110	/1111 les	1 40	V ******

#### SUGAR

LONDON IAILY PRICE (raw sugar): £189.00 (£185.00) a tonna cil lar Jan.Feb. ahisment. White sugar doily prico was £182.00 (sama).

Tha market opened around overnight levelo but the buying interest was quickly satisfied and prices began to drift. Losse: all up to £4.00 were recorded befare srbitrage buying develaped on a rally in Naw Yark which fifted London quotatiana soma 100 points fram the lows, reported C. Czamikaw.

March - 178 50-74.00 175.50-76.60 177.50-75.06 May..... 178,75-77.00 179,25-75.40,180,76-76.50 Aug..... 177,25-77.50 179.50-78.90 180,50-78.50 Oct...... 178.65-76.75 178.00-79.50 180.00.76,50

Salas: 3,704 (4,123) lots of 50 tonnes. Sales: 3,704 (4,123) lote of 50 tennes. Tele and Lyle ex-refinery price lar granulated besis white suger was £318.70 (same) a tenne far home trade and £246.50 (£244.00) lar export. International Sugar Agreement (U.S. cente per pound lab and slawed Caribbean port). Prices lar January 9: 0 ally price 15.08 (14.54): 15-day average 15.08 (15.01).

LONDON WHITE SUGAR—Close (in order buyer, safler, business, sales): Feb. 180.00, 183.00, 183.50-181.00, 135; April 191.00. 184.00. nil. nil: Juty

April 191.00, 184.00, nil, nil; Juty 182.00, 195.00, nil, nil; Sept. 185.00, 197.00, nil, nil; Nov. 188.00, 188.00, 188.00, 188.00, 189.00, 189.00, 189.00, 189.00, 189.00, 189.00, 189.00, nil, nil, Sales; 187. No. 4 CONTRACT-Close (in No. 4 CONTRACT—Close (in erder buyer, selfer-only): May 175-25, 178-25; Aug. 176.00, 176.25; Oct. 176.00, 178.25; Jan. 174.75, 175-25; Merch 176.75, 177.25; May 176.50, 177.25. Sales: 1395 (331).

WOOL FUTURES

SYDNEY GREASY WOOL-Clase (in order buyer, seller, business, asies), Australien cents per paund. Micron contract: Mar. 439.0, 440.0, 439.5-438.0, 19: May 463.0, 464.0, 465.0, 462.0, 118: July 481.0, 482.0, 481.0-475.0, 108: Oct. 477.0, 480.0, 478.5-475.0, 29: Dèc. 480.0, 482.0, 480.0-

### PRICE CHANGES

	Jan. 10 1980	+ or -	Month • age
Metals Aluminium Free Mkt (6s)	\$1850/1950		£760/70 \$1750 BD
Cash w'bar 3 mths Cash Cathode . 3 mths	£1,008 £1.035 £976,5 £1,009.5	+4.5	£993,5 £90S £901,5
Gold troy oz Lead cash 3 mths Nickel Froemkt(gil (lb	£486 £3.960.17	— 10.5 — 10.5	£525 £510,8 £5,250.17 270/818e
Platin'mtr'y oz- Free mkt Quicksil'ver Silver troy oz 5 months	2318,85 3385;390 1504,10p	+ 40.5	5560/370 902.30 <sub>0</sub>
Tin Cash	C7,23S £7,197 \$138	-4S -55	E7,850 £7,445 \$138,75 5128.5/154 £343,5
5 months Producors Oils Coconut (Phil).	E330.6 5780	_1	£343,5 £882.78 \$780
Groundnut Linseed Crude. Paim Malayan. Seeds	£368		£880 \$647.8
Copra Philip	\$277u	-11	5592.5 \$292.20 £96.85
Maize Franch NoSAM Wheat No. I Red Spg. NoSHardWint	‡ £92.75=		‡ £100.80
Eng. Millingi	1		1

r Jan.-Feb. - a Feb. v-Jon./Merch. t March-April. u April. z indicajar.

475.5, 49: Mar. 482.0, 483.0, 483.0, 480.0, 17: Mey 483.0, 485.0, 483.0-481.0, 8: July 484.0, 488.0, untraded. 5elea: 348. LUNDON GREASY WOOL—Claso (in order buyer, sellor anly). Pence per pound. Merch. May, July, Oct.. Oec., Merch, May, July, Aug. 232.0, 242.0. NEW ZEALAND CROSSBREDS—Closs (in order buyer, seller only). March and May 188.0, 198.0; July, Oct., Oec.,

March. Moy. July 187.0, 197.0.

BRADFORD WOOL—Business in Ispe Ismains rether quiet with prices hald at unchanged lavels, largely reflecting firmness lar the raw wool at erigin HIOES—Manchester: Linie change. Second clear ox 31-35.5 kilos, 53.9p a kilo (53.0p a kilo); 26-30.5 kilos 83.5p (83.3s); 22-25.5 kilos, 74.5p (74.0p). Light caws 72.0p a kilo withdrawn

#### MEAT/VEGETABLES

MEAT / VEGETABLES

MEAT COMMISSION—Average falattack prices at representative merkets
en January 10. GB—Cattle, 79.87p per
kg lw (-0.83). UK—Sheep, 135.3p per
kg set dew (-7.3). GB—Pigs. 64.2p
per kg lw (-2.9).

SMITHFIELD—pence per pound. Beef:
Scottish killed sides 85.0 to 88.0, Eire
hindquarters 79.0 to 81.0, ferequorters
47.0 to 48.0. Veak Outch hinds and
onds -114.0 to 118.0. Lamb: English
small 56.0 to 64.0, medium 54.0 to 60.0,
heavy 42.0 to 52.0, Scottish medium
52.0 to 58.0, heavy 42.0 to 52.0;
imparted Frezen: N.Z. Pl. New Seoson
52.0 to 53.0. Park: English, under
100 lb 39.0 to 50.0, 100-120 lb 38.0 to
49.0, 120-160 lb 37.0 to 48.0.
COVENT GARDEN—Prices in sterling
per peckage arcept where athorwise
stated: Imported Produce: Oranges—
Spants: Nevel/Navalines 3.80-4.40;
Jeffa: Navele/Shomauti 50/189s 3.905.25; Greek: 2.50-2.80; Moroccen: 64/
13s 4.00-4.40, Satsumas—Spants: 85/

Soyabean prices, bowever, rose firmly on some heavy buy-ing interest. The cutback in

One lesding trader on the resume normal shipments.

AMERICAN MARKETS NEW YORK, January 10.

MAIZE AND wheat recovered frem saily limit daclinas but still finished with substantial losses. Soyabeans relied smartly lollawing good processer damand and good export inquiry.

Shart-covering in the livestock campter (297-278', 297-278', 287'), July 289-289', Moy 279';-278', 287'), July 289-289', Sept. 297-2, Dec. 300-300', Merch 313-10.

Shart-covering in the livestock camplex in aympathy with the grain tally carried all markets to sharply higher lovels. Cammission hassas buying brought the coffse market up to good gains for the day. Cacoa prices covered a narraw ranga and drilted maderately lawer on trade salling. The anticipated remaval of sugar quatas was finally announced and was met with near-limit declines. Sut the market recovered asmowhet toward the close. Copper sold off aharply an recevered asma of the lossos an Irade buying. A late rally in catton an trade buying ond ohort-covering just ahased of the crep repart carried to market ta naw highs. Continued profit-taking further depressad gold pricas while aliver finlahed at limit or noar-limit up on a lack of selling, reparted Hoinald.

Copper—Jan. 101.80 (103.50), Fob. 102.70 (104.40), March 103.70-104.00, May 105.20-105.30, July 105.60-108.20, Sept. 106.60, May 108.65, July 105.60-108.20, Sept. 109.00. Sales: 7,500.

\*\*Silver—Jan. 3375.0 (3340.0, Feb. 375.0, April 475.5, July 696-695, Aug. 376.0, Aug. 3850.0, Oct. 3675.0, Feb. 3715.0, April 475.5, July 696-695, Aug. 3965.0, April 475.5, July 696-695, Aug. 704\*2, Sept. 709-710, Nov. 720-721\*2, Jan. 736. [163.), March 105.00, May 105.20-105.30, July 105.60-108.20, Sept. 106.60, May 108.65, July 108.60, Sept. 3680.0, July 24.15.24.80, Oct. 24.80, Oct. 3637.0, Jan. 3375.0-3380.0, Sept. 380.0, Jan. 3656.5, March 3693.6, March 3693.0, March 3695.0, July 24.15.24.80, Oct. 24.80, Sept. 24.65, 24.80, Oct. 24.80, March 3693.0, July 24.15.24.80, O

Dec. 25.10, Jan. 25.10-25.05, March 25.35-25.45,

†Wheat-March 4157-415 (4257), Moy 427-426 (4357), July 436-4367, Sept. 4487, Dec. 466, March 486,

WiNNIPEG, January 10. \$Barley-March 120.00 (117.20), May 112.60-112.80 [115.20), July 177.30, Oct. 112.50.

\$Wheat-SCWRS 13.5 au cent aretain content off St. Lawrence 231.95 (235.10).

All cents per pound on-warchouse unless atherwise atstad. \$ per troy ounce. \$ Cents per troy ounce. \$ Cents per troy ounce. \$ Cents per \$ Cents per \$ Cents \$ Ce

# 75.9, Nov. —. Sales: 240. Tin—761.00 askod (771.00). CHICAGO, January 10. Lard—Chicaga looso 21.00 (21.50). New Yark prima ateem unavailable. Live Cattle—Jen. 66.50 (65.80). Feb. 68.20-68.40 (67.67), Aaril 70.85-70.80, June 72.60-72.72, Aug. 72.50-72.45, Oct. 70.77, Dec. 71.50, Jon. —. Live Hoga—Feb. 41.75-42.00 (40.97). **EUROPEAN MARKETS**

ROTTEROAM, January 10.
Wheat—U.S. Na. 2 Oork Hard Winter.
13.S par cent, Feb. \$190, Morch \$192.
18. Hard Winter ardinery unquoted.
12.S. No. 2 Red Winter Feb. \$183,
March \$195.
11.S. Na. 2 Narthorn
5pring, #4 par cent, Jan. \$198, Fob.
\$203, April-Sept. \$243.
\$201, Merch \$203, April-May \$194, MayJune \$194. \$201, Merch \$203, April-May \$155, Imey-Juna \$194. Maize—U.S. Na. & Com Yallow ofiaal \$129, Jen. \$126, Feb. \$126.50, Merch \$125, April-Junc \$135, July-Sept. \$139, Oct.-Oec. \$141. \$0yabeans—U.S. No. 2 Yollow Gulf-parts Jen. \$250, Merch \$259.75, Mey \$269-\$268.50, June \$275, Aug. \$260, 5apt. 283-\$283.50, Nev. \$284.50 paid/

Argantine unquated.

8ayarneel—44 per cent protein U.5.
ofiaat \$243, Jan. \$236, Feb.-March
\$236, April \$236, April-50pt. \$237.50.

9razil Pellets mid-0ac./Jan. \$258, Jan.
\$255, Feb. \$255, March \$239, April-May PARIS. January 10.

Cocca (FFr per 100 kilca)—March 1321-24, May 1318-22, July 1325, Sept. 1325-55, O ac. 1330-55, March 1330-55, Saloa at coll 2. Sugar (FFr per 100 kilao)—March 1648-49, Moy 1549-50, July 1650-80, Aug. 1655-80, Oct. 1600-75, Nov. 1660-75, Ooc. 1670-90, March 1675-1700, Selga at cell 23. Brozil Yallaw Faq. unquated.

DOW JONES

(Average 1924-25-25-100)

REUTERS

#### **INDICES** Dow Jan. Jan. Month Year Jones 8 8 ago ago FINANCIAL TIMES Jan. 9 | Jan. 8 |M'nth ago Year ego Spot ... 410.56 415.59 415.99 881.74 F tur 5488.48 425.75 4 19.78 578.78

289.98 991.48 095.44 060.18 (Base: July 1, 1952-100) MOODY'S

Jan. 10 Jan. 9 M'nth ago Year ago 1991.4 1091.7 1989.5 1497.2 1226.7 1550.1 1810.9 088.7 (Base: September 18, 1931 - 100) (December 31, 1931 = 100)

189s 3.30-3.80. Ctomentines—Mareccan: 3/6s 3.80-4.40: Cyprue: 128/162 3.40-4.00; Corsican: 2.50-3.00. Lemons—Italian: 100/150s 5.70-6.00; Cyprus: 11-kg 84/120 3.60-5.20; 5-kg 45/55 2.20-2.50; Greek: 80/120s 5.75-6.00. Grape-fruit—Cyprus: 2.80-3.40; 20-kg 4.00-4.60; Jeffa: Largs boxes 40/64 4.25-4.80; Flarida: Pink flasb 36/48s 5.80-8.00. Soxyst //Eithars — Spanish: 4.30-4.50.

Emperor, per paund 0.55; 9. African; Queen of the Vineyard \$.50. Plums—9. African; Per pound Methley 0.40-0.50. Beauty 0.45-0.55. Bananas—Jameican; Par 28-lb 4.80. Avocados—Israeli: 5.00. English Produce: Potatoss—Per bag 2.40-3.10. Lattuce—Per 12, round 1.10-130-130. fruit—Cyprus: 2.80-3.40; 20-kg 4.004.80; Jeffa: Largs boxes 40/84 4.25-4.80;
0, Flerida: Pink flaab 36/48s 5.80-8.00.
0, Sours/Bitters — Spenieh: 4.30-4.50.
0, Apples—French: Golden Oeliciouo, in boxes 40-lb 138/175 4.80-5.40; 20-lb 5.20-2.80; jumble pack 31-lb 2.00-2.80; 20-2.80; jumble pack 31-lb 2.00-2.80; 560-8.20, Starkerimsen, approa 20-lb 5.60-6.20, Starkerimsen, approa 20-lb 5.20-6.20, Starkerimsen, approa 20-lb 5.20-6.20, Starkerimsen, approa 20-lb 5.20-6.20, Starkerimsen, approa 20-lb 5.20-6.20; 40-lb 138a 5.80; Canadion: Red Oelicioua 40-lb 9.00-10.00; Italian: Granny Smith 20-lb, par pound 0.10.
1 Pasches—S. Africen: Trays 23/28s 2.007 3.20, Grapes—Spanish: Almeria 2.807 3.20, Slatk 4.30; Celifarnian: Red

FINANCIAL TIMES STOCK INDICES

# Big demand leads to long tap exhaustion and strong tone in Gilt-edged sector-Leading shares follow

Account Dealing Dates

Dealings tions Dealings Day Dec. 28 Jan. 10 Jan. 11 Jan. 21 Jan. 14 Jan. 24 Jan. 25 Fcb. 4
Jun. 28 Feb. 7 Feb. 8 Feb. 18
"" New time" deslings may take clace from 9.30 am two business days

News that the

A quiet day in stock markets hefore the official close vesterday on the announcement that the authorities supply of the long lap slock had been exhausted following a heavy demand, reportedly in excess of £400m. Trading beforehand in the Giltedged market had been subdued with an visible sign of the impending event, although quotetions had started to improve around none from their earlier

The mish of investment funds into the loog tap. Treasury 14 per cent 1998-2001, which ran the wernment broker out of supplies at 96!, way not the only feature. Considerable overseas, notably Swiss, interest was displayed in War Loan 3, per cent, which jumped to 30% and other Irredcemables joined in

After the official close, all sectors of the Gilt market made further gains and the echausted tap closed at 97. having hegun the day at 95. Continued specialist demand raised selected low-coupon sports, and Treasury 3 per cent 1982 rose a point more to 85; the Government brokesupplied more of the special lowequoon top stock. Exchequer 3 per cent 1934, at 691. All tenders for the new short tap stock, Exchequer 14 per cent 1982, which begins life today and looks cheap compared with existlng issues, were allotted in full. Leading shares dithered for much of the session, unsettled by the spreading steel strike and by Wall Street's loability to extend Tuesday's strength. However, sentimeot improved dramatically Gilts to the effect that the FT 30-share index closed with a net

caln of 73 at 430.8, after having recorded a loss of 1.1 at noon. Golds also came back into vocue, encouraged resilience of the bullion price hich held above \$500 an onnce. Widespread huying from the Continent, South Africa and domestic sources lifted heavyweight gold shares by over two noints and the FT Gold Min .. index. at 280.5, regained 1-points of its previous two-day fall of nearly 20 points.

on Tuesday. ICl were relatively active, recording 105 contracts.

News that the Banking Insurance and Finance Uninn has fixed a claim for 25 per cent pay was enlivened less than an nour rises for English clearing bank hefore the official close yesterday staff unsettled sentiment in staff unsettled sentiment in banks. Barelays drifted down to 395p before closing 8 off on oalaoce at 398p, while Midland gave up 3 to 3250, after 323p. Elsewhere. First National Finance stand out with an improvement of I; to 10 p. after 11 p. following the sourp io-crease in annual carnings. Antony Gibbs edged forward a conole of pence to 700 awaiting further news of the old approach from Hongkong and Shanghai, while Grindtays lost 4 to 1265

support. The declaration from Lloyd's of London that it will not give its decision on foreign owner-April prompted a favourable reaction in Bowring, currently in receipt of a proposed 169p ucr share hid from Marsh an McLennan; after softening at the outset. Bowring railied to closbetter on balance at 137p. Willis Faber put on 3 to 2207 and Stewart Wrightson hardened 2 to 175p. Following a Press assessment of the interim figures Hoga Robinson improved a geneto 875. Composites made progress with Royals 5 herter at 320 a while General Accident. 226a.

and GRE, 234p, rose 4 apiece, Breweries attracted late suo port which erased earlier falls and the leaders tended to finish a penny or two up on the day firmer although husiness was Boddingtons, 107n, and Wines and Spirits. Distille-s advanced 3 more to 204p for a rise of 7 since the announcement of spiril price locreases. Highland closed a penny hetter at 141p following the defeure to the Hiram Walker offer.

Although trading in Buildings remained sparse, the trend was to higher levels. Particularly outlook for mortgage rates, the few huyers with Percy Bilton huproving 6 to 194p and Fairylew Estates adding 3 to 183p. Arncliffe and Federated Land and Building picked up 2 aplece to 440 and 51p respectively, while

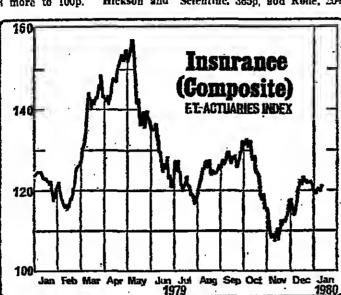
First Declara- Last Account with 664 on Wednesday and 717 lifted Gongh Cooper 6 10 74p. Elsewhere Taylor Woodrow, 323p. and S.G.B., 220p. hoth added 5. Rughy Portland Cement came in for support at 621p. up Ellis and Everard put on 5

to 113p; the results are due at

the end of the month. ICI traded quietly around the overnight level of 363p hefore the appearance of buyers in late dealings lifted the orice to 367p for a nel gain nf 4. Fisnus found renewed support and also firmed 4, to 281p, while Laporte added National 3 more to 100p. Hickson and

satisfactory interim results, 50n. Stead and Simpson A rose 3 In of a hid from UDS.

Slimulated by talk that the National Enterprise Board may be about to sell its holding. Ferranti encountered demand which enotinued into the late trading and finished with a rise of 27 at 452p. Oceasiooal support was forthcoming for other secondary Electricals with Eurotherm improving 7 to 288p and rises of around 5 marked agains: Lonis Newmark, 205p. United Scientific, 365p, god Kode, 204p.



Welch responded to the higher annual profits with a gaio of 4 to 1800 and Leigh Interests gained the same amount to 115; on sneculative support.

#### Ratners dip and rally

Leading Stores . continued firmly with technical factors again playing a major part. Borton "A," 230p, and Gussies "A," 362p, rose 6 apiece, while British Home put on 5 to 232p and Mothercare 4 to 200p. Marks and Spencer added a further 3 at 8Sp as did Rayheck, to 74n. Although the interim statement was deemed highly satisfactory. Rainers fell to 54p hefore rallylog in the later stages to finish a nel penny harder on halance at 58p. Other jewellery concerns came in for some useful support with Ernest Jones again favoured at 180p, up 10. H. Samnel "A" eased a fraction to 11 p, after 11p, despite the return to profit-

Wed. Tues. Mon. Fri., Year

Leading issues picked up after a dull start, GEC closing 3 to the good at 343p, after 336p. Await-ing today's interim results, Thurn ended a few pence better at 294p, after 286p.

Helped by news that the BSC leaders had been called by Government arbitrators to discuss the steel strike, leading Engineers look on a distinctly firm appearance. GKN advanced 6 to 249p, while Hawker, 188p. and Vickers, 121p, improved 4 apiece. John Brown gained 3 to 59!p. Elsewhere, Westland advanced afresh to 73p in response to comment on the annual results hefore easing on profit-taking to close a penny lower on halance at 68p. Still reflecting compensation hopes, Vosper firmed 5 more to 1900 while satisfactory interim results left Camford 4 to the good at

In firm Foods, Associated more to 46p on Press suggestions. Dairies put on 5 to 17So ahead aid BSG, 1; up at 29-p. Support of the half-yearly results due at the eod of the mooth. RHM rose 1: to 44p on investment having T. Cowie, 31 up at 46:p. and British Sugar added a nenn; none-too-optimistic remarks at Demand in a thin market prompted a gain of 4 to 34p in Taverner Rptiedge. while Somportex added 5 to 95p in response to the interim results.

Interest in Hotels and Caterers increased and Grand Metropolitan ended 5 to the good 137p. Trusthouse Forte. annual results due next Tuesday, firmed 3 to 143p. Savov A continued to altract speculative buying and put on S for a two-day gain of 11 to 111p, but recently firm Queens Moat Houses encountered profit-taking following acquisition news and following acquisition news and shed 11 to 34p, after 331p.

#### Extel good

Miscellaneous industrial leaders perked up after a rather uncertain start. With the help of technical infinences, prices moved up sharply with Glaxn closing 12 higher at 460p and Metal Box 6 to the good at 242p. Beecham added 4 10 124p as did Boots, to 172p. Elsewhere, Extel rose 16 to 168p following demand in a thin market and BTR put on 10 to 291p after publicity given to a broker's favourable circular. De La Rue reflected Press comment with a rise of 20 at 585p and English China Clays hardened 11 to 821p in response to the hetter-than-expected preliminary results, Renewed investment support lifted support Granada A 4 more to 148p, after 153p, while American hid bopes cootinued to holster Wilkinson Match, 3 better at 160p. Recently favoured following an invest-ment recommendation. Broken Hill Proprietary rose 20 afresh to 625p. By way of contrast. Sothebys reacted sharply from a firm level of 410p to close a net 10 down on halance at 3850

following late nhlication of the annual results. The Leisure sector was featured by Pleasurama which put on 6 to 143p, following the good annual results

Motor Components remained firm; Dowty added 6 more to 166p, while Duolop added a penny to 56p and Lucas 56n. British Aluminium enhardened a few pence 10 235p. countered further support at increased speculative demand 215p, up 5. Williams and James belped Flight Refuelling to 8 Demand for Traded options Barrati Developments hardened ability at the half-way stage. A improved a similar amount to rise of 12 at 197p. Elsewhere,

was also forthcoming for Harold

to 145p despite the chairman's John Waddington jumped 11 to the annual general meeting and confident tone of the accom-269p, and Baily Mail A, 453p. rose 6 and 5 respectively in front

> progress as investors continued to shrug aside current record interest rates. Land Securities put on S for a two-day gain of 14 to 26-p, while MEPC added 5 more to 1700 and Hammerson A sevanced 20 to 760p. Buyers also came for Great Portland Estates, which added 8 to 202p. Gains of 3 were marked against Samuel, 104p, and Slough Estates, 100p. Haslemere, 276p. Berkeley . Hambro, 176p. and Scottish Metropolitan, 118p. all out on 4, white Avenne Close added 2 to 86p, the last-named in response to the higher halfyearly profits and proposed property revaluation.

Inclined easier at the start. Oil shares ended the day on a firm note. British Petroleum finishen 6 to the gnod at 338p io the leaders while, among secondary issues, Siebens (UK) rearted to 438p before moving ahead again to close 6 higher on balance at 450p, Lasmo gained a similar amount to 350p, while Ultramar, 416p, and Cam bridge Petroleum, 170p, firmed 4 and 5 respectively.

#### Golds rally

South African Gotds staged a strong recovery after the losses sustained over the previous two days as the hullion price held ahove the \$600 level, although it closed \$9.50 lower at \$600.50 20 ounce.

subsided and a total of 441 deals a permy to 110p. Buying ahead firm market of late following 205p, while Startrite rallied 3 in Heron firmed a fraction to 34p were arranged. This compares of next Miniday's annual results satisfactory interim results. Perry, 4 better at 126p, and for Despite the first-ball loss

128p on the maintained dividend paoying statement. Elsewhere in Paper/Printings. McCorquodale continued to benefit from the higher annual profits and rose 8 for a two-day gain of 23 to 111p. hut Melody Mills were further depressed by toe interim profits setback and eased 2 tn 44p. Among Newspapers Associated.

Properties again made good

#### Oils firm

Persistent and sizeable huylog demand from Loodon, Johannes-hurg and the Continent pro-

#### 66.45 66.29 66.29 66.06 65.94 65.43 70.21 430.8 425.5 415.6 419.9 415.9 406.8 472.8 280.5 268.5 279.2 286.4 280.2 805.1 157.5 Ord. Div. Yield ..... 7.66 7.68 7.85 7.75 7.85 7.97 6.06 Earnings, Vid. % (full) 18.82 19.12 19.48 19.29 19.54 19.85 18.80 P'E Ratio (net) (1) ... 6.54 6.44 6.32 6.38 6.50 6.81 4.17 Total bargains ....... 19.399 18,849 19,784 20,425 20,578 19,936 98.65 68.15 71.20 62.06 96.17 187.60 Equity turnover £m 12,312 13,708 14,116 15,679 14,767 12,861 Equity bargains total — 10 em 423.8, 11 em 422.7. Noon 422.4, 1 pm 423.8. 2 pm 424.0, 3 pm 425.4. Latest Index 01-248 8026. Basis 100 Govt. Secs. 15/10/26. Fured Int 1928. Industrial Oct. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. S.E. ACTIVITY HIGHS AND LOWS Low : High : Low 65.30 127.4 42.18 (10.12) (9.1.36) (6/1/35) 64,06 150.4 | 50,53 (15/11) (28/11/47) (5/1/76) Ind. Ord... 558.6 | 406.8 558.6 49.4 | 14/51 | (15/111 (4/5/79) (26/8/49) Gold Mines 303.1 129.9 442.5 | 43.5 (6/188) (17/4) (22/5/76) (28/1977)

duced heavy gains throughout the tist and the Gold Mines index recouped 14.0 at 280.5.

Among the heavyweights. Randfontein were outstanding £271, while gains of a point and more were seen in Buffels and Hartebeest, st £13; and £23; respectively.

were generally Financials De Beers dropped 21 more to 425p following disappointment with the Central Selling Organisation's 1979 sales figure. On the other hand, General Mining and Union Corporation attracted good demand and hoth added 20 to 740p and 565p respectively.

Minerco dipped 5 to 270p, corresponding to the price at which it is believed around 54m shares are being placed.

A good two-way husiness was reported in London Financials. Gold Fields eased 2 to 420p. while disappointment that the Asbton progress report had failed to produce further inlerest in the participants' shares in overnight Australian markets affected sentiment in RTZ and Tanks. The former slipped 6 to 348p and the latter

In Australians, Ashton Mining gave np 8 to 162p, Northern

20 8

ī 951p

1370 420p

75p

134p

86p"

LONDON TRADED OPTIONS

Vol. Closing Vol.

January April

18

12

Mining 2 to 156p and CRA a penny in 270p, after 267p.
Rumours of a possible financing deal concerning the Rundle oil-shale deposit lifted Central Pacific Minerals £1; to £181, after a 1979-80 high of £191.

and Southern Pacific 30 to 715p, after a high of 730p. Coppers were featured by ZCI which jumped II to 53p following a heavy demand from Contineptal sources.

#### **NEW HIGHS AND LOWS FOR 1979/80**

following securities quote information Service of new Highs and Lows for

NEW HIGHS (26) Tress, 14pc 98-01
BANKS (1) First Natl. Finance STORES (1) EMI Bipe Conv. Pitco A ENGINEERING (1) INDUSTRIALS (2) PROPERTY (1)

SHIPPING ITI. Common Brothers SOUTH AFRICANS (1) TEXTILES (1)

Lond. Merch, Secs. West of England OH. & GAS (2) Siebens (U.K.). Woons, RUBBERS 111

MINES (7)

Central Pacé.
Southern Pace
Malay Dredgi NEW LOWS (19)

AMERICANS (1) BUILDINGS (31 Amber Day STORES (4)

Amber Day Rossift

Kumick Sumrie

ELECTRICALS (1)

Audiotronic 12pcCnv,PI Blddle Hawkins & Tipson LEISURE-121-

Boosey & Hawkes Howard MOTORS (1) Dana Corp. PAPER (2)
Melod Radiey Fashions (1)

YESTERDAY öritish Funds Corpus. Dom, end Foreign Bonds ... Industrials

RISES AND FALLS

### FT-ACTUARIES SHARE INDICES

and the Faculty of Actuaries

There las 10 1000

		QUITY GROUPS Thur., Jan. 10, 1980				SU	Jan.	Jan. 8	Jan. 7	Jan.	(shistor) são
Figu	& SUB-SECTIONS Figures in parentheses show number of stocks per section		Day's Change	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	index No.	latex No.	lindex No.	index No.'
1.	CAPITAL 6000S (172)	217.56	+12	19.79	7.10	6.48	Z15.09	212.71	213.82	Z11.62	234.64
2	Building Materials (27)	200.39	+1.0	19.62	7.48	6.54	198.46	196.62	196.82	194.79	267:78
3	Contracting, Construction (29)	319.38	+0.8	28.91	7.51	4.28	316.80	316.73	317.41	33A.57	357.24
4	Electricals (15)	567.20	+1.1	14.21	4.38	9.39	560.77	553.64	955.37	51.25	547.61
5	Engineering Contractors (11)	281.44 153.40	+2.1	27.55	9.09	4.64	275.61	275.31	Z79.56	27.6	364.22
8	Metals and Metal Forming(16) COMSUMER GOODS	149.19	+11	21.67 22.32	8.45 10.18	5.74 5.40	151.44 147.54	149.29 145.54	150.45 147.22	144.93	183.59 162.43
11	(DURABLE)(50)	200.62	+0.9	17.90	6.06	6.88	198.86	191.96	192.73	189.62	210.77
12	Lt. Electronics, Radio, TV (15)	276.05	+0.9	14.08	4.65	9.06	273.42	260.65	268.99	255.67	267.39
13	Household Goods (14)	112.83	+0.5	26.83	9.60	4.51	112 24	112.70	112.72	172.06	164.51
14	Motors and Distributors (21) CONSUMER GOGDS	105.41	+0.9	25.46	8.78	4.64	194,42	103.18	104.36	103.61	121.42
21	(NON-DURABLE) (173)	211.67	+1.7	18.91	7.11	6.54	208.13	204.87	265.39	262.84	209.85
22	Breweries (14)	256.49	+0.6	17.06	6.82	6.88	255.02	252.59	25A12	251.88	231.21
23	Wines and Spirits (5)	304.05	+1.4	17.85	6.09	6.91	300.00	29L50	296.09	292.80	289.82
24	Entertainment, Catering (17)	288.11 193.84	+3.2	18.34	7.50	7.08	279.25	276.99 190.25	279.11	272.58	273.01
25 26	Food Manufacturing (19)	302.42	+1.9	20.91	4.69	5.92 8.78	296.92	291.10	190.87 294.18	299.59	23L35
32	Newspapers, Publishing (13)	399.67	+17	22.85	7.23	6.05	392.87	388.63	387.23	384.58	386.19
33	Packaging and Paper (15)	115.12	+0.9	25.80	9.86	4.99	11414	123.24	134.12	112.95	134.68
34	Stores(43)	264.28	+22	15.07	5.55	8.57	199.88	194.49	193.91	191.09	194.90
35	Textiles(23)	128.09	+16	29.40	12.64	4.47	126.09	124.91	125.69	124.85	186.90
36	Tobaccos (3)	207.92	+2.7	27.42	18.72	4.12	202.45	201.87	290.86	197.40	235.71
37	Toys and Games (6)	45.63	-1.1	35.87	15.69	3.52	46.15	45.43	46.71	45.77	90.59
41	OTHER GROUPS (98)	191.95	+13	16.29	7,00	7.A7	189.52	184.82	188 18	125.89	198,01
42	Chemicals (18)	285.74	+1.4	16.98	6.95	6.80	232.72	279.21	212.30	279.39	276.62
13	Pharmaceutical Products (7)	203.95	+2.5	12,49	6.27	9.77	198.98	194.53	196.46	192.92	246.69
44	Office Equipment (6)	104.89 411.53	+14	19.03	8.04	6.56	103.40	103.19	104,07	103.24	146,19
15 16	Shipping (10)	222.97	-0.8 +0.9	12.86	7.85	9.92 7.29	424.68	217.32	416.48	423.84 214.87	423.14
100	INDUSTRIAL GROUP (493)	214.30	+1.4	18.42	7.00	6.73	211 33	2015年	208.97	26.45	226.02
51	(NOUS 1 KIAL BROUP (1773)	680.76	+11	16.54	7.03	6.53	673.25	668.86	678.56	634.A2	507.22
59	Gils (7) 500 SHARE INDEX	251.30	+13	18.04	7.01	6.69	247.96	244.57	245.56	244.25	243.%
3	FINANCIAL GROUP (117)	181.11	+0.7	10374	6.10	9.07	179.86	179.23	279.59	177.95	172.70
52	Banks(6)	270.59	-0.9	39.49	6.17	3.23	212.40	214.82	236.53	235.25	203.04
53	Discount Houses (10)	219.83	+1.6	33.43	9.02		217.74	213.61	213.61	233.00	218.65
4	Hire Purchase (5)	167.39	+0.5	21.16	5.68	5.98	166.57	164.25	165.22	163.32	165.30
ŝí	Insurance (1 ife) (10)	153.11	+0.1		6.87	_	152.99	152.94	153.36	153.45	137.14
اة	Insurance (Life) (10) Insurance (Composite) (8)	121.41	+1.2	_	8.02		119.93	128.09	11935	218.59	122.87
7	Insurance Brokers (10)	277.08	+2.0	18.00	7.08	7.95	274.28	276.20	271.64	251,22	311.49
58	Merchant Banks (14)	89.16	+0.1	-	6.68		89.63	88,25	<b>87.5</b> 2	87.62	80,29
59	Property (44)	323.68	+2.4	4.07	3.32	35.19	315.99	309.57	311.79	307.23	275.62
70	Miscellaneous (10)	122.64	-0.1	15.50	·7.39	8.39	122.75	121.45	121.54	121.20	112.93
7		195.37	+0.7	-	6.27	_	194.16	191,64	192.53	198.63	297.59
n	Mining Elegano (4)	172.82	-1.1	13.34	5.32	9.10	174.70	171,77	173.55	179.21	304,92
91	Overseas Traders (20)	338.81	+1.5	14.81	7.40	8.15	333.65	330.99	333.11	332.51	311.52
쩌	ALL CHADE IMPEY(750)	233 56	+1.1		6.77		746	233.77	229.15	227 6	224.45

	FIXED INTEREST PRICE INDICES						Y	INTEREST SELDS L Av. Gross Red.	Thur., Jan. 10	Wed. Jan 9	Year 290 (approx.
1	British Government	Thur, Jan. 10	Day's change %	xs ad). today	xi adj. 1980 to date	.1 2 3	Low Coupons	5 years	12.31 12.43 12.53	12.43 12.54 12.67	9.77 21.56 12.37
_	Under 5 years	191.08	+0.39	-	80.0	4 5 6	Medium Coupons	5 years	14.47 14.22 14.14	14.64 14.32 14.24	12.86 12.95 12.95
	Over 15 years	108.21	+0.79		8.00 0.00	7 8 9	High Coupous	5 years	14.92 14.75 14.45	15.05 14.86 14.56	12.96 13.49 13.47
	All stocks	104.26	+0.61	_	0.03	词	trredeemabl		11.93	12.13	12.12

	Thurs., Jan. 10 Index Yield No. 2	Wed.   Tues: Jan.   Jan. 9   8	Mon. Friday Jan. Jan. 7 4	Thurs. Wes	d. Mon. 1. Dec.	Year ago lapprox
15 20-yr. Red. Deh & Loans (15)	42.25 :14.99	49.36 49.13	49.12 49.28	49.24 49.3	3 49.36	54.75
15   Investment Trust Prefs. (15)						
17 Coml. and Indl. Prefs. (20)						
	vs record base of					<u> </u>

engineer years. A list of the constituents is evaluable from the Publishers, the Financial Times. Stacken Street, London, EC4P 48Y, price 14p, by poet 22p.

#### ACTIVE STOCKS

		TAO.				
- Stock Der	nomina- tion n	of narks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Bowaler	£1 ·	8	145	+ 3	209	136
Cons. Gold Fields	25p	8	420	- 2	429	178
Barclays Bank	£1	7	398	- 8	514	360
Heath (C. E.)	20p	7	206	+ 1	280	160
Imp. Cout. Gas	£1	7	623	+	630	358
LASMO	25p	7	350.	+ 6	398	124
Marks & Speocer	25p	7	88	+ 3	134	76
Racal Electronics	25p	7	207	<b>– 1</b>	276	1681
RTZ	25p	7	348	- 8	362	226
Thorn Elect	25p	7	294	+ 2	482	262
Westland Aircraft	25p	7	68	- 1	73	31
BAT Inds	25p	6	253	+10	362	230
Bowring (C. T.)	25p	6	137	+ 4	148	98
ICI	£1	6	367	+ 4	- 415	314
Western Mining	AS0.50	6.	192	+ 7	205	121

#### **OPTIONS**

DEALING DATES Last For Deal- Declara- Settletion

ment Jan. 7 Jan. 18 Apr. 10 Apr. 21 Jan. 21 Feb. 1 Apr. 24 May 6 Charterball, Metairax, KCA, Feb. 4 Feb. 15 May 8 May 19 Pennine Motor. Duolop and For rute indications see end of Scotland. A put was Share Information Service done in J. E. Sanger. while

in BSG, Premier Oil. Status Disccunt. Ladhroke Warrants. Christopher Moran C. T. Bowring, Grattan Warehouses Lourno, Burmah Antony Gibbs Share Information Service doubles were arranged Money was given for the call Lonrho and Charterhall.

#### RECENT ISSUES EQUITIES

8g - 9 6 E 8 2 4 8

		!					
4	F.P.,12/12			012% Cum. Red			
•	£10 28/2	105, 101	B'rnem th &	Destrict W ter	led-Pref. 1886.	1034	
<b>₹</b>	F.P. 51/1	99 924	Bristol Wete	rworks 2% Red.	Pref. 1284.,	9314	
1	F.P 22:1	8B . 80	Bundonian 1	1149 Cum. Con	v. Pref	98	• '
14	F.P.: 8/2 :	85p; 85p	Hewitt IJ.1 1	Ope Cum Pref		85p	٠.
<b>5100</b> ,	IF.P	S99 '596	'Hill Samuel	Ope Cum Pref Floating Rate A	otes 1222	527	
•	F.P. 25/1	9112 9112	'Mid-Sussex'	Water 7% Red. P	ref. 1985New	2116	
_~				Con.Red.9nd(			
		- 44 DI	CHTS"	OFFERS	2		_
		- K1	du 12	OFFER.	3		

Issue :	Pare	Latest Renunc. Date	1979/80		Stanto	But + 0	
	₹6.		High	Low	Stock	85	:
19½ 520	Nil F.P.	24/1 91/2	4.pm.	2pm	Associated British Engineering	4;pm	+ lg
40	Nil :	5.1 .94:1	788	23pn	LISON & RODDINS	31 pm	·
		7:1 28:1	45pm 211 <sub>2</sub>	20pm	Do. A. Hanimex Corp. Laganyale Estates.	29pm 20	+ IS
200	F.P. :		: 208 :	300	Palicontinental Pilkington 8 ros Wearwell	295 pm	-5 ÷5 -12

Renunciation date usually last day for dealing free of stemp duty. In Figures based on prospectus estimate. It is a summed dividend and yield. In Frorecast dividend: cover based on previous year's earnings. It invidend and yield based on prospectus or other-official estimates for 1979. Q Gross. It figures assumed: It Cover ellows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. It Places to public, pt Pencs where otherwise indicated. It said by tender. It Officed to holders of ordinary shares as indicated. It said by tender. It Officed to holders of ordinary shares as connection with roomanisation, manger or takenus: It introduction. It issued to former preference holders. Allotteen tenders (or fully-paid). Provise partity-paid allotteen listing. A Virth variants. It It intered account. It issued as units comprising 2 income shares and 10 Capital shares at 1250 per limit.

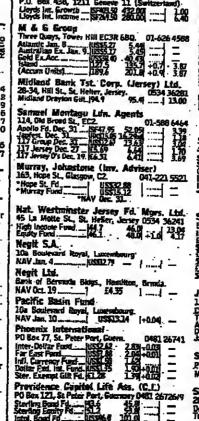
7)

### UNIT TRUST SERVICE

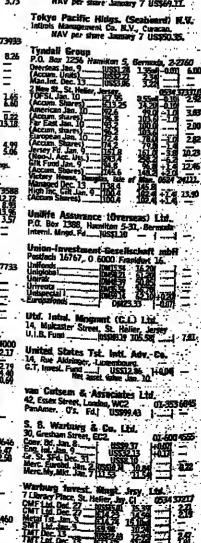
16

#### OFFSHORE & OVERSEAS—contd.

Imperial Gp. Totals



Richmond Life Ass. Ltd.
46, Ather Street, Decides, 10.88.
(a) The Street Decides, 10.88.
(a) The Street Decides, 10.88.
(b) Charmond Ed. 28.4
(b) 28.4
(c) The Street Treet. 552.0
(c) Charmond Ed. 28.4
(d) 28.4



INDICES :

09 54.50 68.8 94 65.43 78.1 3.9 406.9 47.1 20.2 303.1 191

7.97 54 19.63 64 50 6.21 154 578 19.953 84

.06 98,17 IS

-79 14,787 12,40

trd<sup>721115</sup> 0<sup>4</sup>

lan is

ACTIVITY

124.0 Mg 100.4 Mg 15.4 Mg

9e 6 . 135,5 184, 15 . 107 8 185, 1ve. 110,4 185, 52.3 80,

after and Out

vi ocerny k sie deposi k C Minerals D 70-50 bish d 3 Pocific 30 to h

te featured

IGHS AND

JR 1979/

Service as

 $\mathrm{Ric}_{\mathrm{BS}}(\mathfrak{B})$ 

it Edwin ill

VEERING ATT

STRIALS OF

IPPING II. AFRICANT IN

K"IZES 17.

CASTS --

SELEC 1

11NES -:

LOWS (39) RICANS II

HEFFING II 3771ALS 7

5:029 : 42.767

FERDAY

the real of the second second

en Critic

Consider things Co. 182. 1858

Mary Transport

14K5 :71

ORES 17: RICALS :41

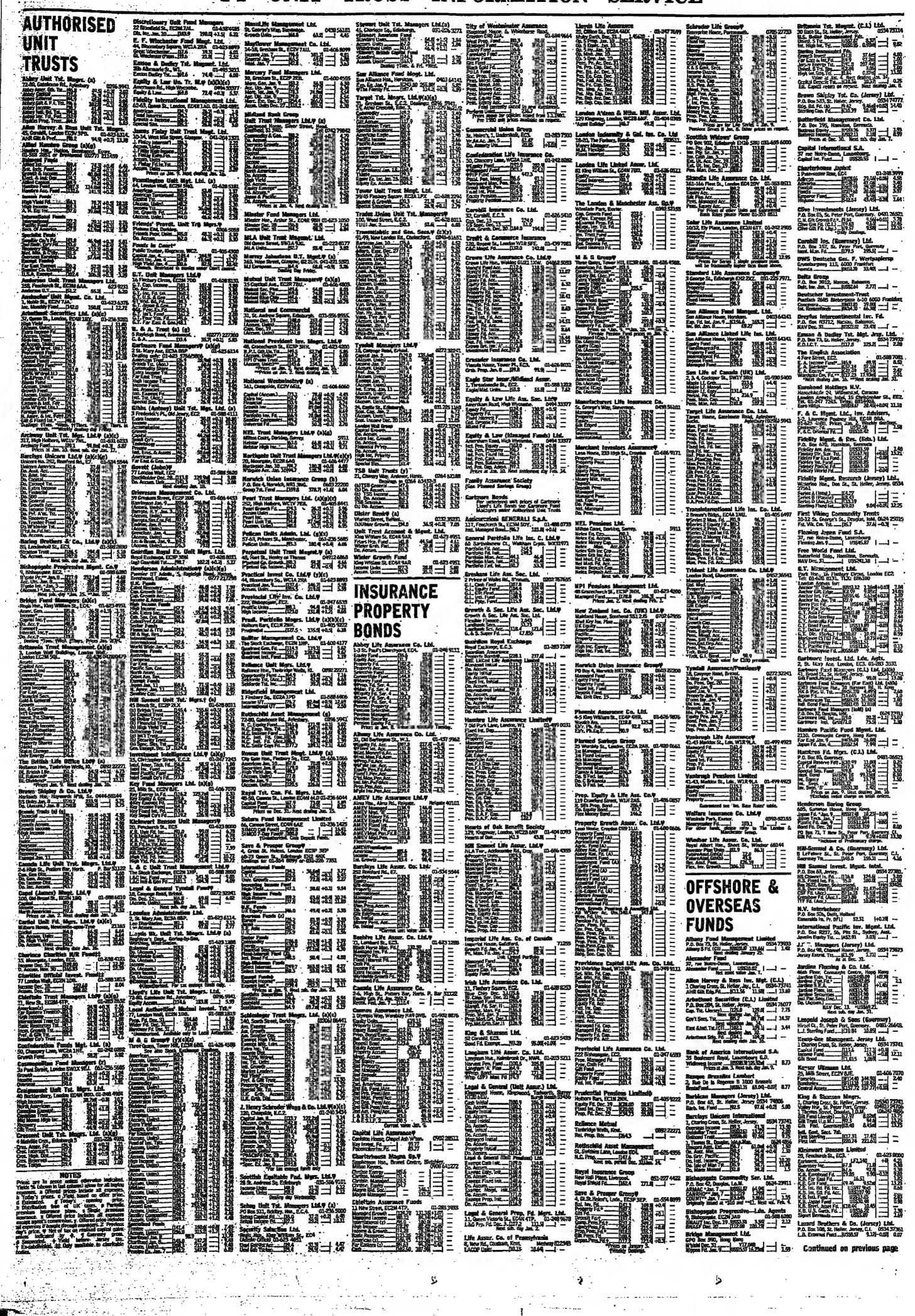
rurges

gain determ P

m 423 g.

42

### FT UNIT TRUST INFORMATION SERVICE



FOREIGN BONDS & RAILS

**AMERICANS** 

**CANADIANS** 

"Shorts" (Lives up to Five Years) Treasury 12pt 1953tt 17easury 9apt 83 95 17easury 9apt 83 95 17easury 9apt 82-84tt 85 17easury 9apt 82-84tt 85 17easury 12pt 1964 85 17easury 12pt 1964 85 17easury 12pt 1964 85 17easury 12pt 1965 17easur

reasury 14-ac 74# exch 121-ac 1994... reasury 922 794#... Over Fifteen Years

INTERNATIONAL BANK [Spc Stock 77-82 ...... 314 | ...... 6.17 | 13.89 CORPORATION LOANS

Undated

| BANKS AND HIRE PURCHASE | 1979-80 | Low | Stack | Price | - | Ref. | Crw | Gr's | PFE | 288 | 183 | ANZ \$A1 | 210 | -2 | 022c | 0 | 155 | 0 | 400 | 270 | Alfen Harrey \$1. | 315 | 2.244 | 9.7 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.25 | 0 | 1.2 | 1052 | 854 | Sunderland 12-acc 1984 | 8594 | +14 | 13.72 | 15.40 | 1579.00 | 16.26 | 1799.00 | 16.26 | 1799.00 | 16.26 | 1799.00 | 18.00 | 1799.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |

FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 48Y Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.

Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Frankenaliee 68-72, 6000 Frankfurt-am-Main 1. Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1. INTERNATIONAL AND BRITISH OFFICES

**EDITORIAL OFFICES** Amsterdam: P.O. Box 1296, Am Telex 16527 Tel: 276 796 Telex 16527 Tel: 276 796
Birgingham: Seorge House, George Road,
Telex: 339650 Tel: 021-454 0922
Born: Pressbars 11/104 Heussaltee 2-10.
Telex: 8869542 Tel: 210039
Brussels: 39 Rue Durale.
Telex: 22283 Tel: 512-9037
Cairo: P.O. Box 2040.
Tel: 938510
Dublin: 8 Fitzwilliam Square.
Telex: 5414 Tel: 755321
Edinburgh: 37 George Street.
Telex: 7484 Tel: 031-226 4120
Frankfurt: Frankenaltee 68-72
Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128

Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545 Lisbon: Praca de Algeria 58-10, Lisbon 2, Telex: 12533 Tel: 362-508 Madrid: Esprenceda 32, Madrid 3. Tel: 441 6772

**ADVERTISEMENT OFFICES** Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922 Lexis: Permanent House, The Readrow. Tel: 0532 454969

Frankint: Frankesaffee 68-72 Telan: 4161/9 Tel: 7598 1 New York: 75 Rockefeller Plaza, M.Y. 2009 Telex 258409 Tel: (212) 489 6500 Paris: 36 Rue de Sendier, 75002. Telez: 220044 Tel: 236.86.01. Tokya: Kasahara Building, 1-6-10 Uniformia, Chiyote ka., Telez: 427104 Hel: 235 4050

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-634 9381

New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625

Rome: Viz della Mercede 55. Telex 610032 Tel: 678 3314 Stockholat: c/o Svenska Dagbladet, Telex 17603 Tel: 50 60 88

Tokyo: 8th Floer, Nihan Keizzi Shimbun Buliding, 1-9-5 Otenschi, Chiyoda-ku. Telex J 27104: Tel: 241 2920

Washington: 914 National Press Building, Washington D.C. 20045 Telex 440340 Tel: (202) 47 8676

18.75 A. C.

Manchester: Queen's House, Queen 3 Telex 666823 Tel: 061-834 9381 Overseas advertisement representatives in

Central and South America, Africa, the Middle East, Asia and the Far East,

For further details, please contact:

Overseas Advertisement Department,

SUBSCRIPTIONS

ible from newsagents and bookstatis workiwide or on regular subscription from ption departments—Financial Times in London, Frankfurt and New York

For Share ladex and Business News Summary in London, Birds Liverpool and Manchester, Tel: 246 8026

SHARE INFORMATION SERVICE

CHEMICALS, PLASTICS-Cont.

DRAPERY AND STORES

13.7 11.12.4 45 103 1.5 11.13.960 7.5 1.75 17.73.960 7.5 1.75 12.77.4 205 2.0 12.10 0 13.9 1.75 0 13.10 0 13.9 1.75 0 13.10 0 13.9

Alex W.S.
Anat. Power ...
Anat. Power ...
Anat. Power ...
Anat. Cary
Ass. Editor 12-p.
Assoc. Toding.
Assas left 10p
Amora Hids.
Assin (James).
Behook tell.
Behook (E.H.).

BANKS & HP-Continued - Bress Cher Gris

| srchase, etc. | 1811 | 3 | 62 | 124 | 125 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 12

BEERS, WINES AND SPIRITS

102 | 7732 | Alfield Brews. ... | 7942 | +12 | 55.0 | 22 | 9.0 | 6.0 |
63 | 29 | Antal, Dist, Pr. 10p. | 45 | ... | 0.75 | 1.1 | 2.4 | 623 |
280 | 157 | Bass. ... | 196 | +2 | 7.8 | 11 | 5.7 | 6.6 |
58 | 30 | Reltamen Brewery | 30 | -1 | F0.45 | ... | 21 | -6 |
198 | 160 | Bell Arthur 50p | 178 | +2 | 5.29 | 4.2 | 4.2 | 6.8 |
116 | 32 | Boddingtons | 107 | +2 | 12.91 | 1.5 |
117 | Barder Brewery | 78 | +3 | 71 | 72 | 72 | 72 | 72 |
118 | 128 | 139 | 136 | 138 | 148 | 148 | 148 |
119 | 129 | 139 | 136 | 148 | 148 | 148 | 148 | 148 |
110 | 120 | 130 | 148 | 148 | 148 | 148 | 148 | 148 |
120 | 130 | 130 | 148 | 148 | 148 | 148 | 148 |
130 | 130 | 130 | 148 | 148 | 148 | 148 | 148 | 148 |
130 | 130 | 130 | 148 | 148 | 148 | 148 | 148 |
130 | 130 | 130 | 148 | 148 | 148 | 148 | 148 |
130 | 130 | 130 | 148 | 148 | 148 | 148 | 148 |
130 | 130 | 130 | 148 | 148 | 148 | 148 | 148 |
130 | 130 | 130 | 130 | 148 | 148 | 148 |
130 | 130 | 130 | 130 | 148 | 148 | 148 |
130 | 130 | 130 | 130 | 148 | 148 | 148 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |

BUILDING INDUSTRY, TIMBER AND ROADS

ENGINEERING—Continued

HOTELS AND CATERERS INDUSTRIALS (Miscel.)

The control of the co

# FINANCIALTIMES

Friday January 11 1980

# BL negotiators given carte blanche

BY ARTHUR SMITH. MIDLANDS CORRESPONDENT

BL CARS senior shop stewards authorised their negotiators yesterday to "call any actim necessary " in support of their 30 per cent pay claim.

However, the militancy of the resolution adopted by the 400 stewards in Coveniry belies serious divisions in their ranks.

Many stewards feel that the 90.000 workers would offer little support even for limited action, let alone a total strike. Pressure is mnunting from the shap floor for the unions in accept the 5 per cent pay offer, with the chance to earn np to an extra £15 a week in

a self-financing incentive

BL Cars senior directors. meeting last night to consider their response, must have realised that they have a good chance of success in implementing a pay agreement that demands fundamental changes in working practices.

Mr. Grenville Hawley, the national automotive secretary for the Transport and General Workers' Uninn, said that sbop stewards rejected "the strings" attached in the pay offer. The trade nnions would not concede "motu-

ality"—the function of shop stewards in negotiating manning levels and the pace of

> He said that his uninn would not allow the company to impose the deal unilaterally. BL management was looking for a "blank cheque." The changes required would create havoc" nn the ahop floor as groups of workers acted independently.

"The reaction from the ship finer would be simething we on the trade uninn side would not be able to contain."

BL management might be prepared to run the risk. Mr. Armstrong, employee relations director, has emphasised that new

working practices are essential if the company is in survive. When he meets the union negotiators next Monday, he can be expected in repeat that the company can make no further concessions and that time for negotiations is run-The uninns will be anxions tn keep talking and leave the company to make the next

such as Triumph. Coventry, and Castle Bromwich, Birmingham, which are due to he almost completely phased out, will not support a militant

As in previous breakdowns on pay talks, an upting for the company would be to approach the executive of the Con-federation of Shipbuilding and Engineering Unions. BL might point to the 7-to-1 vote in favour of the company's rescue plan and argue that it has a mandate from the workforce to push through the necessary changes in working practices.

# New TV channel may be shelved because of cost

BY ARTHUR SANDLES

THE HIGH projected cost of setting up a fourth television cbannel has led to an intense dehate within the Cabinet which may cause the proposala

Publication by Mr. William Whitelaw, Home Sceretary, of a Bill to set up the channel has been delayed from its planned date in November. Last night the Home Office said publication sbould he in a few weeks.

Although public opposition to the Whitelaw plan for TV-4 has focused on the power it gives to the present commercial telewithin Government stem from different origins.

aware that the setting up of channel which may cost more written and ready to roll. than £40m, and running it-an expense variously estimated at Cabinet meetings are "part of

ing. The 1980-81 Budget, sub-

mitted yesterday, seeks to limit

public and private consumption

to create room for expansion

in exporting Industries, accord-

ing to Mr. Ingemar Mundebo.

cut Ministries' demands by 2 per cent after allowing for price

and wage increases. He has post-

poned some allocations to local

authorities and proposes to discuss with them further ways

of restraining their apending. Newstheless, Mr. Mundebo's

Budget shows a record deficit of Skr55bn (£6bn), on an oversll

reduced by just over Skr4bn to Skr5.9bn. The Government is

so heavily in the last Budget.

Reductions are also being made in food and housing subsi-

dies, but, as Mr. Mundeho points out, more than seven-tenths of

The most dramatic cut is in taxation. the Industry Ministry's budget, Instead

expenditure of Skr204bn,

With a few exceptions, he has

Budget Minister.

The profits received by the Minister concerned ITV companies, of which aome

last financial year ITV paid some £69m in such levies, a figure which is seen at risk when the Government is lookcontractors, the doubts ing for savings and increased revenue

Mr. Whitelaw's plans for the It is understood that the channel, which include its Prime Minister has been made financing by the TTV contractors and its ultimate control by the the fourth channel could be an IBA. need Cabinet's final expensive exercise for the approval. As far as the Home Exchequer. Establishing the Office is concerned the Bill is

Sweden to curb spending growth

attempt for decades to curb the authorities and industry, most lay the foundation for export

The growth in overall spend-

ing has been restricted to 9.3

per cent, compared with 16 per

cent in the 1979-80 Budget.

Allowing for inflation, that im-

plies that in real terms, Govern-

ment consumption will not in-

crease in 1980-81, Mr. Mundebo

No tax increases are included

in the Budget. In the accom-panying Finance Plan, Mr. Gösta

Bohman, Economy Minister,

highest tax burden in the

world." It was possible to im-

prove public finance ond reduce the Budget deficit by sharpening

Instead, a determined effort

had to be made during the

1980s to make the public sector

public spending with the growth in annual GNP. In the past 20 years public spending has in-creased on average by 6-7 per

states that Swedes carry

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

pace of growth in public spend- of while entail automatic in-

sbarply reducing the subsidies more effective. The target would

to faltering industries, auch as be to parallel the increase in the shipyards, which featured public spending with the growth

cent a year.

créases.

SWEDEN'S non-socialist Gov. Budget expenditure

—is likely to hite deep into ever, broadcasting has usually ITV profits been left in the past to the

five-sixths pass to the Govern- Mrs. Margaret Thatcher's mind ment in levy and tax, will be over costs is likely to be endiminished for the first year or couraged by others of her two at least," says the Independent Broadcasting Authority.

The Exchequer levy is made pletely new operation financed pletely new operation financed on television company profits by advertising and in direct hefore Corporation Tax. In the competition with the BBC and ITV. Sir Keith Joseph is

It is believed that such a plan would encourage new money into the industry rather than sapping ITV's resources. The idea bas enthusiastic support from the advertising industry which considers the ITV companies to be exploiting what they see as a monopoly position. But it is fiercely opposed by both the BBC and ITV. They feel it would lead to an The official line is that the American-style degredation of

forms new coalition Government's

Budget

Increased

private

sized businesses.

investment, which

behind last year'a

growth, Mr. Bohman said. The

bigher spending on industrial

export

research and development

support and greater financial

backing for small and medium-

The Finance Plan foresees

3.6 per cent GNP growth this

economic recovery, to rise by

10 per cent: The growth in

expected to decline from last

year's 3 per cent to about 1.5

per cent. The foreign payments deficit

SKr 8.6bn last year to slightly

more than SKr 12bn. The bill

Sweden will need to borrow be-

tween SKr 10bn and SKr 15bn

(£1bn-£1.5bn) abroad this year.

The fastest-growing item in the current Budget is public debt

Shipyard closurs, Page 3

Mr. Bohman estimates that

for imported oil will rise.

scheduled to grow from

consumption

year and expects industrial

includes

therefore

In a radio interview, M. Pons even explained what his party's policy would he if the Gaullist candidate were knocked out in the first round of the election. Under no circumstances would ernment is making the first transfers to the public, local economic policy would be to the Gaullists back a Socialist or Communist candidate for the

> The clear implication is that the Gaullists would urge their supporters to vote for President Giscard in the final ballot, if their own representative were eliminated previously.

M. Pons repeated the Gaul-lists, assurance that they would not vote for a censure motion which would bring down the present Government, as long as President Giscard and M. Barre respected the fundamental principles nn which the Centrist-Gaullist coalitinn was based.

procedures for granting and use

of binding authorities to insurance specialists outside its market.

The move follows the collapse

of regulatory procedures for binding authorities in the events

which led up to large losses for

the troubled Sasse underwriting

A binding authority is an

authority granted by a syndicate to a third party which allows

that party to accept business on

behalf of the syndicate up to

It was use of one of these

authorities which led to fire and

damage to property insurances being placed with Sasse, and to

Lloyd's is concerned because

a binding authority holder for Sasse, an American company

called Den-Har, was not

approved by accepted market

Since 1978 the Lloyd's com-

mittee has been studying a

report by an internal working

party under the chairmanship of Mr. Brian Brennan on bind-

The report has been con-

sidered by the various under-

writers' market associations. Mr.

ian Findlay, Lloyd's previous

chairman, bas told members

that it is expected that the

implemented in the near

future with the support of the

A centralised registration

system is likely to be imple-

mented requiring all holders of binding authorities to be indi-

More stringent investigation

procedures are to be developed

to make sure that those pro-

ducing business for the Lloyd's

market through binding authori-

many recommendations will he

syndicate.

certain limits.

ing authorities.

associations."

cated to Lloyd's.

ventual big losses.

### Gaullists challenge for presidency

BY ROBERT MAUTHNER IN PARIS

move. They realise that plants

THE GAULLIST Party, whose opposition to the French Government provoked the recent row over the 1980 budget and its subsequent annulment by the Constitutional Conncil, is to field its own candidate in next year's presidential election. Although the name of the

candidate—who will probably and Communist contendershas not been revealed, no one doubts that be will be M. Christmas Eve a Jacques Chirac, the Gaullist the Constitutional leader. M. Chirac is due to procedural point. break bis self-imposed silence over the past few months at a Press conference in the middle of February.

nard Pons, the party's secretary. general, that the Gaullists would present a candidate in the election, bardly comes as a surprise, since the Gaullists have concriticised President stantly Giscard and M. Raymond Barre, bis Prime Minister, over the past two to three years. But this is the first time that the party's intentions have been set out so clearly.

He cited as an example of the Norwegian ports, would use the issues that could lead the Gaulterminal, Aberdeen's second:

tighten

lists to censure the Government in Parliament a decision by France to rejoin NATO's integrated military structure or the Government's agreement to a fundamental reform of .- the EEC's agricultural policy.

The Gaullists have adhered strictly to their strategy of flexible opposition during run against President Giscard the debate on the 1980 budget, d'Estaing and separate Socialist which bas been re-introduced in the National Assembly virtually unchanged, after its Christmas Eve annulment by the Constitutional Council on a

M. Barre has been forced for the sixth time since the start of October to employ an extra-The announcement by M. Bercedure whereby a Bill is adopted automatically unless a censure motion is supported by an absolute majority of National Assembly Deputies.

The receipts side budget was adopted on Wednes day night, thanks to Gaullists' refusal to vote for Socialist and Communist cen-sure motions. The same procedure will be used to push through the expenditure pro-

#### EEC grant for Aberdeen

the Nordenfjeldske Line, already

operating between Aberdeen and

ierry terminal ABERDEEN Harbour Board bas received a 30 per cent grant from the EEC towards the cost of its £500,000 roll-on, roll-off floating ferry terminal. The terminal was installed last spring as part of the Board's drive to attract more north European and Scandinavian trade to the port. So far it has £400m sold. had no success. It was originally boped that

The monetary position for next Friday.

THE LEX COLUMN

# English China and the paper cycle

per cent to £33.1m in the year to September on the back of a sharp recovery in its fortunes on the clay side, where growth was almost three-fifths to £23.2m. Despite the strength of

sterling, it has been able to push through large price rises without hampering volume, so that UK production climbed 10 per cent and group output inpped 3m tonnes. Export prices were twice hoisted by a tenth during 1979, in January and July, and a valuable fillip to profits in the final quarter. Last week prices again went up—by an average of around 121 per cent—and ECC is crossing its fingers that demand in the European paper industry will bold up. So far, there is no real evidence that the recession is starting to bite.

There is clearly a risk that union demands in the pay negotiations just about in start will match ECC's apparent prosperity. But even if margins in clay come under pressure there rather than the 12 per cent that should factors. instance, damaging last winter, which hit not just clays but also the road

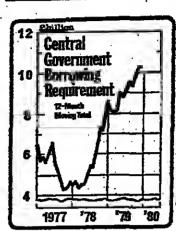
surfacing business of the quarries division. Moreover there was £1m of terminal losses and provisions in the building division, arising mostly in the West Indies and Northern Ireland, and group profits were

There is still a long way to go before the group can recapture its growth image; profits bave only modestly exceeded the £30,5ml of two years ago, and memories will linger of ECC5s inability to put up export prices in 1978. Still, the shares offer sound value at 821p, where the yield (after a 21 per cent rise in the gross dividend) is almost 9 per cent, strongly covered.

#### Gilt-edged

Sellers have been absent from the gilt-edged - market in the when even a disappointing Government horrowing figure for December failed to disturb the firm tone, the jobbers took refuge in the long tap stock. and it was exhausted within minutes. The major jobbers seem to bave bad such befty bear positions in this stock that their demand alone was enough to account for the bulk of the

pushed up pre-tax profits by 35 Index rose 7.3 to 430.8



the January banking month, which ends nn Wednesday, is now transformed. The funding now done may be enough to trim back sterling M3 growth to the region of 1 per cent, be some cushioning it might otherwise have been. The weather, for As so often in the gilt-edged was particularly market, the virtuous circle is aelf-fulfilling, and the hulls can

now come back in farce.

The first object of their attention is likely to be the new short tap, Exchequer 14 per cent 1984, most of which Gnvernment Broker's books at yesterday morning's tender. Dividend payalso charged an exceptional ments will build up strongly £1.2m backing pay item. Over- over the next couple of weeks, all, profits should go up this and the overseas buyers are reported to be back, so liquidity is no problem for the moment. At its tender price the short

tap is now about ? point cheap. The gilt-edged market's enthusiasm rubbed off on to equities after hours, taking the FT 30-Share Index back over 430-a rise of nearly 8 per cent from the low point touched last Thursday morning.

#### Highland Dist.

Highland Distilleries' defence document against the Hiram Walker takeover bid comes just as Hiram Walker itself is proposing to reverse into a Canadian gas ntility—a kind of instant gasohol merger. No doubt the carny Scotsmen will have something to say about these strange Canadian capers in their next circular. That there will be one seems prnb-able, for Highland confines itself to background and generalities the current document, on the no doubt correct view that Hiram Walker has no chance of winning by the first closing date

"IF ONLY DESIGNERS

something the share price is stillanticipating at 141p against the present terms of 130p-Highand will have to tackle mundane matters like the value of its assets and the course of profits in the current year, of which there is so far to indication.

#### Sotheby's

Despite the strength of sterling and the absence of the £18m von Hirsch sale which flattered the 1977-78 figures, Sotheby's auction sales rose 15 per cent in the year to August, 1979, and in the first four manths of the current year there is a 32 per cent advance Margins are as good as nr better than ever: gross revenue on net sales has moved above 20 per cent, and pre-tax margins -at 4.4 per cent are the highest since 1972-73.

Some of last year's improvement reflects the imposition of the controversial buyers' premium in the fast-growing U.S. market, but the underlying earnings trend is strong. Although group makes circumspect remarks about inflationary pressures on its costs, margins are holding up well and it would take a very severe recession to spoil the party.

Litigation nver the buyer's premium is still hanging over Sotheby's, and the yield, although usefully increased, is no more than 4.3 per cent. Still .. at 385p the shares are trading onlittle more than eight times: prospective fully-taxed earnings. (which are hardly affected by current cost adjustments); this looks a cautious enough rating.

#### First National

The 1978-79 property boom has proved a key factor in-allowing a heavily-bandaged -First National Finance Corporation to score profits above its beyday record set in 1973. While results in the consumer credit division have been stagnant, repossession and sale of flats in s buoyant market have accounted for nearly a third of . the group's £21.6m pre-tax profits. The current years. tougher conditions mean this performance is unlikely to be repeated.

shareholders' deficiency has been halved from the position in 1977, and now stands at £38m. There seems to be no hurry, bowever, change the present format of the group, since the first of the lifeboat loans does not become repayable until 1983. Yester day the share price rose lip to 104p.

#### Loan to East Germany cut to \$100m

By Francis Ghilès

A LOAN by a group of major Western banks to East Germany has been severely curtailed. This is believed to be a result of the crisis in relations between the U.S. and the Soviet Union as well as the poor conditiona in the international capital markets.

Negotiations bad been under way since last autumn for the East German Foreign Trade Bank to raise a \$150m eurocurrency loan. The manage-ment group for this luan includes Bank of America, Bar clays Bank International, Bank of Nova Scotia, and Republic National Bank of Dallas.

The size of the loan haa been reduced to \$100m and the managers decided that it should be fully underwritten before it was put into the market in New York last Tuesday.

The terms the borrower is paying dn not however appear to have been affected by the current crisis. They include a margin over the U.S. prime rate of 1 per cent for eight years with a four-year grace

The same day, in Frankfurt, a loan was signed for the Romanian Foreign Trade Bank In the offices of the lead manager, Deutsche Genossensshafts-bank. This loan is split in two tranches. a \$100m dollar one MOTOR CYCLE sales last year Manufacturers are confident

Continued from Page 1

The main objective in the

#### **BNOC** share sale

The impact of public participation on Government revenues from BNOC is being analysed at

night that it was still trying to win full agreement for new levels of North Sea oil prices. Companies are expected to complete their responses to tracts is only \$30 a barrel. BNOC proposals today, but it

new prices are announced. The corporation has suggested reference price—for Forties crudes, now costing around \$30, seek the rnling of an indepen

This pricing level bas dent paoel of experts. apparently been accepted by mitments, among them U.S. interests, seek higher prices largely because spare indepenmore in line with those being dent storage space is scarce and charged hy Libya (\$34.72) and expensive.

Algeria (\$33.0).

The amount of oil and to be a barrel, 450,000 tonnes of crude

involved in this pricing dispute oil to the Swedish State oil comis about 200,000 barrels a day, near 12.5 per cent of Britain's

aector, possibly into foreign-owned multinational companies. There is concern in the Government that if Britain raised ber price to above \$30 a

barrel this would prompt another round of increases by Treasury.
DIL PRICES: BNOC said last Nigeria and Algeria. The Algerian Government bas emphasised that its price includes a \$3 exploration fee, refundable in certain cases, and that its reference level for con-

If BNOC cannot win agreecould be next week hefore tha ment with all the North Sea groups with which it buys and sells oil under State participation deals, it may decide to press Field-type crude oil—of \$29.75 abead and fix a reference price a barrel which would maintain of \$29.75. Those in disagree past differentials with Nigerian ment would then be invited to

• Oil prices bave continued those companies with refining to ease on the Rotterdam spot interests which bny back North market, according to industry Sea oil from BNOC. According reports, with Arabian light to industry reports a number of crude valued at about \$39 to companies without refining com- \$40 a barrel. There was little activity in the market yesterday,

pany Svenska Petrolenm and the Swedish oil co-operative Oljekonsumenternas Foerhund.

### More take to motor cycles

and a DM 100m one, increased rose by 27 per cent to 288,000, from an initial DM 50m. The only 40,000 short of the 1959 horrower is paying a margin of record. The biggest Increase

that the increased cost of petrol will lead to a growing per cent above the London was achieved by mapeds up by acceptance of powered two-interbank offered rate. was achieved by mapeds up by acceptance of powered two-almost 60 per cent to 76,828, wheel transport.

ties are suitable to do so,

**S** 

#### Lloyd's to Veather UK TODAY

procedures DRY with sunshine in places.

Cold. England, Wales, Scotland, LLOYD'S, the world'a leading - Ireland insurance market, plans to implement more formal internal Dry with some bright patches.

Morning and evening frost and fog. Max. 6C (43F). N.W. Scotland, Orkney, Shetland Little rain in places. Mostly.

cloudy. Max. 6C (43F). Weekend outlook: Little

WORLDWIDE

Ajacelo	C	18	55	Locamo	×	ŏ	32
Algiers	č	18	61	London		4	39
Amadm.	č	ő	32	Luxor	S	20	68
Athens	č	11	57	Madrid	2	20	
Barcina.	Ř	. 6	42	Majorca	ž	9	48
Beirut	Ċ	19	61	Malaga	č	10	50 59
Belfast	ž	.5	36	Maita	0	15	29
Beigrd.	C F	_2 _7	30	Marta Mchstr.	č	14	57
Beriin	Sn	Ξį.	20	Melbra.	0000000		34
Biernitz	F	-3	- 42	MISIONE.	ř	27	21
Bmghm.	Š	2	20	Mex. C.	5	20	68 34
Biackp'i	9		39	Milan Mintrael	Č.	1	34
Bordz,	4	9	30	M ntrael	ď.		25 7
	ž	ă	48	MOSCOW		-14	7.
Boulgn.	a C C F	2	32	Munich	Sn-	-4	25 78
Bristol	7		36	Nairobi	5	26	78
<b>Rudpst</b>	ç.	-1	30	Naples	Ç	S	46
B. Alres	2	32	90	Nwcsti.	C	2	36
Ceire	S	ıa	56	N. York	В-	-2	28
Cardiff	F	a	37	Nice	Ç.	11	52
Casbos.	Š	15	61	Nicosia	C	15	28 52 59 21
Cape- T.	S	23	73	Oslo	Ć.	6	21
Chicago	C.	0	32	Parie	É	5 2 2 11 15 6 2 25 4	36
Cologna	¢	0	32	Perth	Š	25	ñ
Conhan.	Ç Sn	-1	30	Ргапие	Sn.		*
Cortu	C	10	50	Reykjuk.	R	ā	25 37
Dublin	S	3	37	Rhodes	ë	12.	ži l
Dbrvnk.	C S C R	B	46	Rio J'a	č	茏	54
Édnbah.	Ř	Ž	36	Rome	Ğ-	<b>25</b> 10	56
Florence	F	9	48	Salzb'rg	ř.	-1	30
Frankfit		ŏ	32	Singapr.	Ç.	30.	
Funchal	ř	1Š	.64	Stokkim.	č	ად.	85 32
Geneva	CECSCOS	ž	36	Streep, D	F	n	.# i
Gibritr.	š	14	57	Sydnay	Ŕ	25	翌
Glasgow	č	5	44	Tangier	F	<i>#</i>	<b>#</b> 1
G'rnsey	ř	5	43	Tabasa		13	55
Halsinki	ĕ.	-12	10	Tehran	č	.2	36
H. Kong	5	18	- 10	Tel Aviv	Š	15	<b>81</b>
	a.		55	Takyo	5	9 _2	48
Innabr'k	ă.	-7 4	ᄴ	Toronto	<u>s</u> -	-2	28 57
Invrass. I.o.Man	C.C.	-	35	Tunia	E	14 · 12	<u> 57</u>
i.o.man İstanbul	Ž.	-5	31	Valençia	£	12	54 39
	F	.12	25	Venice Viscone	F	4	39
Jargay	-	- 5	411	Vienna	ė.		20 J

Cloudy, F Fair, Fg Fog

You would get much more practical design, resulting in buildings that are easier to maintain and cheaper to run – and just as good-looking. You would not get failures of communication between designer and builder, nor the quarrels which follow - and for which it is always the client who pays.

You would expect it to save money and. very early on, to know how much you were going to need - and you would be right.

get an earlier start on site, and generally

faster construction too.

If the people who design a building were

think it would be a better one.

Ring Peter Kreamer on 01-570 7755 and responsible for building it, the construction ind out how this happy state of affairs can be world would be a very different place. Lesser brought about. Or send this coupon.

> ER GOOD DESIGN AND BUILD To: Lesser Design & Build Limited. Staines Road, Hounslow, Middlesers Telephone: 01-570 7755. Telex: 936161. Please send me details of your services.

You would save time on the preliminaries.

gistered at the Post Office. Printed by St. Clement's Press for and publish the Financial Times Ltd., Bracken House, Cannon Street, London, ECAP 45 G H